

The impact of the application of international accounting standards IAS/IFRS on financial statements « empirical study; MASCARA's enterprises»

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Abstract:

The objective of this research is to study the impact of the application of international accounting standards IAS/IFRS on financial statements through the empirical study based on a questionnaire distributed to group of companies of state of MASCARA, with presentation and analysis of the results obtained using Statistical analysis methods using the SPSS Statistical analysis program, and according to the results, the international accounting standards play an important role in improving the quality and transparency of financial statements, and providing accurate and reliable information to investors, donors and the general public.

Keywords: IAS; IFRS; financial statements; international accounting, Algeria.

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1. INTRODUCTION

The world has witnessed economic developments during the recent period and the emergence of many multinational companies and the difficulty of these companies adapting to the accounting and financial systems in the countries in which they invest. This has resulted in the necessity of establishing international accounting rules and principles in order to keep pace with these developments. These rules are represented in accounting standards. The main goal of establishing these rules was the ability of investors to understand the information contained in the financial statements of their institutions, which is known as the output of a financial information system in any country. After Algeria implemented the financial accounting system, it was among that is the beginning of applying international accounting standards and issuing financial reports in accordance with their rules.

After Algeria implemented the financial accounting system in accordance with international accounting standards, there is no doubt that there is an impact of international standards on financial reports, so the following problems remain:

What is the extent of the impact of the international accounting standards on financial statements?

Hypotheses:

The first hypothesis: « the companies of the study sample do not apply the international accounting standards IAS/IFRS»

The second hypothesis: « there isn't an impact of the application of international accounting standards IAS/IFRS on the content of financial statements»

Importance of the study:

The importance of the research lies in the following:

- ✓ There is an urgent and necessary need to evaluate the impact of applying international accounting standards on the effectiveness of accounting disclosure when preparing and presenting financial statements, and on increasing the efficiency and effectiveness of accounting disclosure for the financial statements of Algerian institutions. This is to demonstrate the pros and cons of applying these standards and benefiting from them later when applying the system, the new financial accountant;
- ✓ Increasing the effectiveness and efficiency of accounting disclosure affects the confidence of users of financial statements and is therefore considered a useful matter and a major and effective element in rationalizing investment decisions.

2. International ACCOUNTING STANDARDIZATION

On the first point, it is clear that the production process standards are of a technocratic type, since there is no intervention in it that experts from the accounting profession and professionals very similar in their skills (such as financial analysts). Consensus is not sought: it is efficiency, rationality and speed of reaction which are favored, at the risk of dissatisfying certain States and certain business circles, as was already the case with the publication of IAS 39 which focused on recognition and measurement financial securities.

The dissemination and application of IASC-IASB standards is self-evident (thanks to all the work carried out in upstream with the main parties concerned), without the need to legislate or have regulations adopted by public authorities. The case of the European Union is completely exemplary from this point of view: it is a real abandonment of sovereignty over the future of its accounting standardization to which the Union has delivered in recent years.

For Bernard Colasse, accounting standardization is « a production process, implementation and control of the application of accounting standards in a space given geographic location ». (Colasse, 2004)

International accounting is defined as a global system adopted by all countries by establishing a set of principles and standards that are generally accepted at the international level and which aim to establish a unified international accounting system.

Choi Muller also defined it as that branch of accounting whose interests go beyond local purposes to external purposes, as it is concerned with international comparative analyses, measuring disclosure of international operations and the work of multinational companies, meeting market needs, and coordinating differences in accounting methods and global disclosure of political and organizational aspects and professional activities setting standards. (Manea, 2009).

3. The strategic challenges of accounting harmonization

Harmonization presents itself in different ways depending on the accounting systems that we want to harmonize. In particular, if we take as object of observation the system accounting of public administrations, harmonization can be sought: (MORI, 2013)

-within a country, between different levels of government (harmonization vertical);

- between public administrations, private companies, associations and other non-governmental entities

lucrative businesses in the same country (horizontal harmonization);

- between different countries (external or international harmonization, including harmonization

European is a subset).

This new accounting system which has remained stagnant since its implementation while the IAS/IFRS standards have undergone an evolution significant in relation to the development of the world economy, includes a conceptual framework, accounting standards and a nomenclature of accounts. (Boudjelal & Djekidel, 2022)

The conceptual framework and standards accounting standards are very strongly inspired by the accounting framework international IAS/IFRS. This new system which represents a change of culture, consists of converging accounting rules applied by our companies to IFRS standards. (Boudjelal & Djekidel, 2022)

Algerian accounting standardization

It should be noted that financial accounting fulfills two main roles in in terms of improving the quality of financial information. It allows, first of all, to fluidly manage relationships between the company and its partners by presenting itself as means of calculation and proof for all operations carried out by the company. In secondly, it involves developing accounting information offering the possibility of formulate accounting and financial indicators for the benefit of stock market participants with a view to conclude the value of companies. (IMANE, Tarik, & CHRISTOPHE)

In the context of global harmonization of accounting rules and practices, the Council Algerian National Accounting Department has decided to set up a new system financial accountant, largely inspired by IAS/IFRS Standards, adequate with the system of global financing, and takes into consideration the characteristics of the Algerian economy.

This financial accounting system is adopted by the Algerian Popular Assembly APN, promulgated by law n°07-11 of November 25, 2007 relating to the financial accounting system and by Executive Decree No. 08-156 of May 26, 2008 implementing the provisions of the law n°07-11, should be implemented in 2010. (Mahmoud, 2023)

This new accounting framework project takes into consideration the major part existing standards in terms of IFRS standards, which constitutes an avant-garde choice, since it includes related aspects⁵ :

Definition of the conceptual framework (scope of application, users of the reports financial statements, nature and objectives of financial statements, basic accounting conventions and fundamental accounting principles);

General and specific rules for evaluation and accounting (principles general, specific rules for accounting and evaluation of operations normal and special operations);

Presentation of financial statements (assets, liabilities, income statements, statement of changes in cash flow, statement of changes in equity, appendix). (Mahmoud, 2023)

So, the use of IFRS standards by firms is justified by the importance accounting information obtained by the latter compared to standards national or local accountants. This is why, Bae et al., (2008); Daske et al., (2008), Byard et al. (2011), believe that the application of IFRS standards effectively contributes to improving the quality of financial and accounting performance indicators in giving a measured explanation of the value of the company. This is why the authors have demonstrated a positive correlation between stock market value and accounting indicators of performance. (HAMAN, 2023)

Likewise, Christensen et al., (2007); Palmer (2008); Kim & Shi (2012), explain that accounting performance measures are more fluid with IFRS standards than with local and that IFRS standards demonstrate statistically significant explanatory power on the financial performance of the firm. (HAMAN, 2023)

Furthermore, international accounting standards are designed to promote objectivity in the preparation and presentation of financial statements (Dumontier and Maghraoui, 2006). The transactions and events must be recorded in a manner that faithfully reflects the economic reality, without prejudice or bias towards specific parties. (DAANOUNE & AOUINATOU, 2023)

4. EMPIRICAL STUDY

4.1. The methodology and procedures of the empirical study

We will present the method by which the empirical study was designed, defining its objectives, the methodology used, the tools for collecting information and the statistical methods used in the analysis and justification of the selection of companies in which the empirical study was conducted using a questionnaire with a presentation, analysis and discussion of the results obtained using statistical methods by interpreting them to arrive at study recommendations.

After collecting the distributed questionnaires, they were entered into the SPSS program (statistical package for social sciences) which is considered one of the most important programs in statistical information analysis in sociology, we analyzed using a set of statistical tests and coefficients as follows:

The Alpha Cronbach coefficient

Alpha Cronbach is a statistical index varying between 0 and 1 which makes it possible to evaluate the homogeneity (the consistency or internal consistency) of an evaluation or measurement instrument composed of a set of items which, all, should contribute to understanding the same “underlying” entity (or dimension): the level of knowledge or skill on a given theme; the level of aptitude, attitude, motivation, interest in a particular field or in relation to a particular object, etc. (Suristat le portail des enquetes et de l'analyse de données , 2019)

This index reflects a degree of homogeneity (internal consistency) that is higher as its value is close to 1. In practice, we generally consider that the homogeneity of the instrument is satisfactory when the value of the coefficient is at less equal to 0.80.

If the Alpha Cronbach stability rate exceeds the threshold of 60%, the questionnaire is more coherent (Malhotra, 2007) and the higher the value of the Alpha Cronbach coefficient, the higher the degree of coherence and honesty between the items of the questionnaire and the higher its adoption is favorable.

Kolmogorov-Smirnov test

The Kolmogorov-Smirnov test is a goodness-of-fit test, in statistics, it is a hypothesis test used to determine whether a sample follows a given law known by its continuous distribution function, or whether two samples follow the same law.

The null hypothesis is: H_0 : the law P has the same distribution function F as a given continuous law. The idea is that, if the null hypothesis H_0 is true, the empirical distribution function F_b of the sample must be “close” (in a sense which will be specified) to F .

The Pearson correlation coefficient

The Pearson correlation coefficient is a coefficient which measures the strength of the connection (positive or negative) which can exist between two quantitative variables; it varies between -1 and 1. A positive value indicates a positive correlation, a negative value reflects a negative correlation, and a value close to zero reflects no linear correlation. (Centre de support XLSTAT, 2019) All coefficients are significant at the 0.05 significance level ($p < 0.05$). This means that the risk of rejecting the null hypothesis even though it is true is less than 5%.

Linear regression

In statistics, econometrics and automatic learning, a linear regression model is a regression model that seeks to establish a linear relationship between a variable, called explained, and one or more variables, called explanatory.

We also speak of a linear model or linear regression model.

Among the linear regression models, the simplest is affine fitting. This consists of searching for the line allowing the behavior of a statistical variable y to be explained as being an affine function of another statistical variable x .

In general, the linear regression model refers to a model in which the conditional expectation of y given x is an affine transformation into the parameters. However, we can also consider models in which it is the conditional median of y given x or any quantile of the distribution of y given x which is an affine transformation into the parameters.

study sample

we chose a group of companies from the state of < MASCARA >, our selection was based on previous data and prior contact with these companies, the questionnaire was distributed to all positions at the general management level, directors, department heads and department financial heads and accountants.

The questionnaire was divided into two main axes which include 30 items as follows:

The first axis: the application of international accounting standards IAS/IFRS;

The second axis: content of financial statements.

We also adopted the five-level Likert scale as a tool for studying and analyzing the questionnaire because it is the most explicit measure of respondents' opinions and the easiest to understand and it faithfully reflects the degree of consent. expressed in the statements presented, and we used the closed form in the responses which contains five responses ranked from 1 to 5 as follows:

- Strongly disagree: 1
- Disagree: 2
- Indifferent: 3
- Agree: 4
- Completely agree: 5

And to determine the length of each dimension of the Likert scale used, we calculated the limits of the scale $(5-1) = 4$ then divided this value over the number of dimensions $(4/5) = 0.8$ and then adjust it to the lowest value (1), we will have each dimension as follows:

- Disagree at all: the average belongs to the field [1.00-1.80];
- Disagree: the average belongs to the range [1.81-2.60];
- Indifferent: the average belongs to the range [2.61-3.40];
- Agree: the average belongs to the field [3.41-4.20];
- Completely agree: the average belongs to the range [4.21-5.00].

4.2. Analysis of the reliability of research data (Alpha Cronbach)

The most widely used instrument for measuring internal consistency is Alpha Cronbach coefficient. The reliability and validity of the items of each of the axis of the questionnaire were tested by this coefficient and the results are presented in the following table:

Table 1: The reliability and validity of the questionnaire (Alpha Cronbach)

Axis number	The axis	The number of items	The Alpha Cronbach coefficient	The validity coefficient
1	the application of international accounting standards IAS/IFRS	15	0.861	0.928
2	content of financial statements	14	0.893	0.945
	Total	29	0.891	0.944

Source: Established from the use of survey data using SPSS software

Through the table 1, we see that the value of Alpha Cronbach varies between 0.861 and 0.893, a sufficient level because it exceeds the most rigorous threshold 0.7 where the first axis and the second axis obtained 0.861 and 0.893 successively, which proves the reliability of both axis and the total reliability of the questionnaire was 0.891 (a strong and acceptable value) which confirms that the questionnaire measures what was defined to measure.

4.3. The sincerity of the internal consistency of the items of the first axis

The correlation between each of the items of the first axis (the application of international accounting standards IAS/IFRS) and the average of this axis is presented in the following table:

Table 2: the sincerity of the internal consistency of the items of the first axis

	The items	Pearson's correlation coefficient	SIG
1	The Algerian financial accounting system was prepared in accordance with international accounting standards.	0.581	0.000
2	The international accounting standards affect positively on the quality of financial reporting.	0.482	0.000
3	The cash flow statement is prepared according to international accounting standards 07, which is the statement of cash flows	0.402	0.003
4	The balance sheet statement is prepared according to what is in International Financial Reporting Standard 01 (the establishment of financial reports).	0.647	0.000
5	International accounting standards have been able to achieve a kind of international accounting.	0.469	0.000
6	Algerian accounting was able to adapt to international accounting standards.	0.509	0.000
7	Inventories are valued according to International Accounting Standard 02.	0.423	0.000
8	The statement of changes in equity is presented according to IAS 01.	0.572	0.000
9	IAS 10 explains subsequent events beyond the reporting period.	0.466	0.000
10	The financial statements of consolidated companies are presented and prepared according to International Accounting Standard 27.	0.669	0.000
11	The format of the financial statements in Algerian institutions conforms to what is in International Accounting Standard No. 01, Presentation of Financial Statements.	0.736	0.023
12	International accounting standards contributed to attracting investors to Algeria.	0.611	0.000
13	International Accounting Standard No. 11 provides the accounting treatment for construction contracts.	0.502	0.000
14	The accounting treatment for insurance contracts is in accordance with International Financial Reporting Standard No. 04.	0.496	0.000
15	International accounting standards represent an accounting guide for all accounting systems around the world.	0.348	0.017

Source: Established from the use of survey data using SPSS software

The Pearson correlation matrix between the items of the first axis (the application of international accounting standards IAS/IFRS) and the average of this axis is presented in Table 2 which shows that the Pearson coefficient varies between (0.348 and 0.736), this indicates a medium to strong positive correlation where item 15 obtained the lowest value

(0.348) which means a medium correlation and item 11 obtained the highest value which means a strong correlation in the first axis, we find that the correlation of all items is statically significant at the 0.01 level.

4.4. The sincerity of the internal consistency of the items of the second axis

The correlation between each of the items of the second axis (content of financial statements) and the average of this axis is presented in the following table:

Table 3: the sincerity of the internal consistency of the items of the second axis

	The items	Pearson's correlation coefficient	SIG
1	Financial information gives an accurate description of the institution's financial situation.	0.481	0.000
2	The income sheet is statement which represent the revenues and expenses of the financial year.	0.482	0.000
3	The information contained in the cash flow statement gives an accurate description of the use and sources of funds in the institution.	0.302	0.003
4	The meaning of financial information can change when its users understand it in a different way.	0.647	0.000
5	The balance sheet statement represents a summary of the resources contained in the institution and their uses.	0.569	0.000
6	The information contained in the financial statements represents the basis on which managers rely in making their decisions.	0.509	0.000
7	The financial accounting system was able to match the Algerian financial statements with their counterparts in other countries of the world.	0.423	0.000
8	One of the most important features of financial statements is that they are always timely to help their users.	0.572	0.000
9	Annexes represent significant financial information that affects the contents of the financial statements.	0.666	0.000
10	The purpose of the statement of changes in private funds is to protect shareholders' rights.	0.469	0.000
11	The institution measures the fair value of all its assets and liabilities and prepares financial statements on this basis.	0.536	0.023
12	The statement of changes in own funds carries the same information as the statement of changes in own funds from balance sheet liabilities.	0.711	0.000
13	Financial information must be effective and influencer for its users.	0.502	0.000
14	Financial information is characterized by transparency and impartiality.	0.596	0.000

Source: Established from the use of survey data using SPSS software

The Pearson correlation matrix between the items of the second axis (content of financial statements) and the average of this axis is presented in Table 3 which shows that the Pearson coefficient varies between (0.302 and 0.711), this indicates a medium to strong positive correlation where item 03 obtained the lowest value (0.302) which means a medium correlation and item 12 obtained the highest value which means a strong correlation in the second axis, we find that the correlation of all items is statically significant at the 0.01 level.

4.5.The correlation between the two axis

The correlation between the two axis is presented in the following table:

Table 4: the correlation between the two axis

	The axis	Pearson's correlation coefficient	SIG
1	the application of international accounting standards IAS/IFRS	0.681	0.000
2	content of financial statements	0.681	0.000

Source: Established from the use of survey data using SPSS software

The table 4 confirms that there is a strong positive correlation for the value of 0.681 between the two axes of the questionnaire (the application of international accounting standards IAS/IFRS and content of financial statements) and it is statically significant at the 0.01 level.

4.6. Descriptive analysis of questionnaire data

We will attempt to carry out a descriptive analysis of the characteristics of the sample studied and the study variables.

Descriptive analysis of the first axis

The following table shows the results of the analysis of the items of the first axis through the arithmetic mean, the standard deviation and the coefficient of variation, and the degree of approval of each item.

Table 5: the results of the descriptive analysis of the first axis

	The items	The arithmetic mean	The standard deviation	The coefficient of variation
1	The Algerian financial accounting system was prepared in accordance with international accounting standards.	3.598	0.910	50.42 %
2	The international accounting standards affect positively on the quality of financial reporting.	3.413	1.150	47.66 %
3	The cash flow statement is prepared according to international accounting standards 07, which is the statement of cash flows	3.630	0.774	44.64 %
4	The balance sheet statement is prepared according to what is in International Financial Reporting Standard 01 (the establishment of financial reports).	4.109	1.181	56 %

5	International accounting standards have been able to achieve a kind of international accounting.	3.848	0.998	49.09 %
6	Algerian accounting was able to adapt to international accounting standards.	3.935	0.959	49.56 %
7	Inventories are valued according to International Accounting Standard 02.	4.315	0.876	50.80 %
8	The statement of changes in equity is presented according to IAS 01.	3.880	0.908	58.94 %
9	IAS 10 explains subsequent events beyond the reporting period.	3.978	1.099	55.56 %
10	The financial statements of consolidated companies are presented and prepared according to International Accounting Standard 27.	3.826	0.921	50.44 %
11	The format of the financial statements in Algerian institutions conforms to what is in International Accounting Standard No. 01, Presentation of Financial Statements.	3.760	0.856	48.64 %
12	International accounting standards contributed to attracting investors to Algeria.	4.402	0.680	43.21 %
13	International Accounting Standard No. 11 provides the accounting treatment for construction contracts.	3.837	0.905	49.27 %
14	The accounting treatment for insurance contracts is in accordance with International Financial Reporting Standard No. 04.	3.717	0.906	52.77 %
15	International accounting standards represent an accounting guide for all accounting systems around the world.	4.424	0.997	41.13 %

Source: Established from the use of survey data using SPSS software

Through Table 5, we see that the arithmetic mean of the items of the first axis varies between (3.413 and 4.424) which means that the degree of approval of the items of the first axis is between agree to completely agree, where the item (15) ranked first with a mean of 4.424 and a standard deviation of 0.997 which explains that the individuals in the sample are completely agree that the international accounting standards represent an accounting guide for all accounting systems around the world, and the second ranking is for the item (12) with an average of 4.232 and a standard deviation of 0,680 which means that the individuals in the sample are completely agree that international accounting standards contributed to attracting investors to Algeria.

In general, almost the means of all items are ranked in the field (3.413 and 4.424), this indicates that the individuals in the sample agree that the practice of state accounting standards carries great importance in the offices and institutions of our study. And this indicates the success of the degree of agreement of individuals' answers about the application of international accounting standards IAS/IFRS in Algerian institutions.

Table 6: the results of the descriptive analysis of the second axis

	The items	The arithmetic mean	The standard deviation	The coefficient of variation
1	Financial information gives an accurate description of the institution's financial situation.	3.598	1.310	50.42 %
2	The income sheet is statement which represent the revenues and expenses of the financial year.	3.413	0.750	47.66 %
3	The information contained in the cash flow statement gives an accurate description of the use and sources of funds in the institution.	4.630	0.874	44.64 %
4	The meaning of financial information can change when its users understand it in a different way.	4.109	0.981	56 %
5	The balance sheet statement represents a summary of the resources contained in the institution and their uses.	3.848	0.798	49.09 %
6	The information contained in the financial statements represents the basis on which managers rely in making their decisions.	3.935	0.959	49.56 %
7	The financial accounting system was able to match the Algerian financial statements with their counterparts in other countries of the world.	4.315	0.676	50.80 %
8	One of the most important features of financial statements is that they are always timely to help their users.	3.880	1.108	58.94 %
9	Annexes represent significant financial information that affects the contents of the financial statements.	3.978	1.099	55.56 %
10	The purpose of the statement of changes in private funds is to protect shareholders' rights.	3.826	0.921	50.44 %
11	The institution measures the fair value of all its assets and liabilities and prepares financial statements on this basis.	3.760	0.856	48.64 %
12	The statement of changes in own funds carries the same information as the statement of changes in own funds from balance sheet liabilities.	4.402	1.038	43.21 %
13	Financial information must be effective and influencer for its users.	3.837	0.905	49.27 %
14	Financial information is characterized by transparency and impartiality.	3.717	0.906	52.77 %

Source: Established from the use of survey data using SPSS software

Through Table 6, we see that the arithmetic mean of the items of the second axis varies between (3.413 and 4.630) which means that the degree of approval of the items of the second axis is between agree to completely agree, where the item (3) ranked first with a mean of 4.630 and a standard deviation of 0.874 which explains that the individuals in the sample are completely agree that The information contained in the cash flow statement gives an accurate description of the use and sources of funds in the institution., and the

second ranking is for the item (12) with an average of 4.402 and a standard deviation of 1.038 which means that the individuals in the sample are completely agree that The statement of changes in own funds carries the same information as the statement of changes in own funds from balance sheet liabilities.

In general, almost the means of all items are ranked in the field (3.413 and 4.630), this indicates that the individuals in the sample agree that the content of financial statements is characterized by transparency and impartiality. And this indicates the success of the degree of agreement of individuals' answers about the effective of content of financial statements established according to international accounting standards.

5. Results of hypothesis testing

5.1. Test of the first main hypothesis

We will test the hypotheses of the study to confirm or deny them using statistical tools.

We will test the following hypothesis: « the companies of the study sample do not apply the international accounting standards IAS/IFRS»

Hypothesis H_0 : the companies of the study sample do not apply the international accounting standards IAS/IFRS.

Hypothesis H_1 : the companies of the study sample apply the international accounting standards IAS/IFRS.

In order to test this hypothesis, we will use the one-sample T test for the answers of individuals in the first axis sample «the application of international accounting standards IAS/IFRS»

Table 7: the results of the T-test of the first main hypothesis

The test value = 3			
	The arithmetic mean	The standard deviation	The T value
The first axis	3.987	0.440	1.919

Source: Established from the use of survey data using SPSS software

The table above shows the results of the answers of the sample individuals of the first axis of the first main hypothesis about whether their answers strongly agreed concerning the application of international accounting standards IAS/IFRS in Algerian companies, where the t value (1.919) is greater than the tabular value (1.671) at the level of sample 60, this means the rejection of null hypothesis H_0 and we accept the hypothesis H_1 that Algerian companies apply the international accounting standards IAS/IFRS.

5.2. Test of the second main hypothesis

We will test the following hypothesis: « there isn't an impact of the application of international accounting standards IAS/IFRS on the content of financial statements»

Hypothesis H_0 : there isn't an impact of the application of international accounting standards IAS/IFRS on the content of financial statements.

Hypothesis H_1 : there is an impact of the application of international accounting standards IAS/IFRS on the content of financial statements.

Table 8: the results of the T-test of the second main hypothesis

The test value = 3			
	The arithmetic mean	The standard deviation	The T value
The second axis	3.801	0.545	1.879

Source: Established from the use of survey data using SPSS software

The table above shows the results of the answers of the sample individuals of the first axis of the first main hypothesis about whether their answers strongly agreed concerning the impact of the application of international accounting standards IAS/IFRS on the content of financial statements, where the t value (1.879) is greater than the tabular value (1.671) at the level of sample 60, this means the rejection of null hypothesis H_0 and we accept the hypothesis H_1 that there is an impact of the application of international accounting standards IAS/IFRS on the content of financial statements.

5.3. Evaluation of model parameters

Variables introduced/eliminated from the model

The following table represents the variables retained from the model, we see that the variables are introduced into the regression model and since we have a single independent variable, we therefore carry out linear regression.

Table 9: Variables introduced/eliminated from the model

Model	Variables introduced	Variables eliminated	Method
1	Application of IAS/IFRS ^b	-	introduce

^b all requested variables have been introduced

Source: Established from the use of survey data using SPSS software

Evaluation of the fit of the regression model to the data

The model summary table makes it possible to determine the contribution of the variable.

Table 10: summary of models

Model	R	R-two	R-two adjusted	Standard error of the estimate
1	0.819 ^a	0.708	0.718	0.548

^a predictors : constant, the application of IAS/IFRS

Source: Established from the use of survey data using SPSS software

Table 10 contains several useful information for our analysis, the value of the correlation (R) corresponds to the agglomeration of the points, it is (0.819), this value suggests that the data fit the model satisfactorily.

The squared correlation value is (0.708) which means the variation in content of international accounting standards is strong and suggests that of the application of IAS/IFRS.

The independent variable (the application of international accounting standards) explains 70.8% of the dependent variable (the content of international accounting standards).

Evaluation of model quality

In order to evaluate the quality of the model, we check whether the model explains significantly more variability than a model without a predictor (independent variable: the application of IAS/IFRS).

The following table of the ANOVA shows that the model is significant because the p-value is less than 5%.

Table 11: ANOVA analysis of the model

Model	Sum of squares	ddl	Mean square	F	Sig
1Regression	14.037	1	13.037	38.786	0.000
Residue	26.867	60	0.789		
Total	40.904	61			

Source: Established from the use of survey data using SPSS software

Evaluation of model parameters

The regression equation is:

$$Y = B_0 + B_1X_1$$

Y: dependent or explained random variable (financial statements).

X₁: independent or explanatory variable measured without error or set at arbitrary levels (the application of IAS/IFRS).

Table 12: model evaluation

Model	Unstandardized coefficients		Standardized coefficients	t	Sig
	B	Standard error	Béta		
1(constant)	0.798	0.337		3.519	0.004
The application of IAS/IFRS	0.845	0.118	0.819	5.689	0.000

Source: Established from the use of survey data using SPSS software

$$Y = 0.79 + 0.84 \text{ application of IAS/IFRS}$$

According to Table 12, the standardized regression coefficient Beta indicates that the application of international accounting standards has a strong impact on content of financial statement.

Through the results obtained, we reach proof of the main hypothesis that there is a statistically significant effect of international accounting standards on the information content of financial statements in the offices and companies under study in the state of MASCARA.

6. CONCLUSION

Based on what was mentioned and through the results that were reached through statistical analysis of a questionnaire about the study, it can be said that accounting standards play an important role in improving the quality and transparency of financial statements, and providing accurate and reliable information to investors, donors and the general public. Therefore, companies must work to apply accounting standards correctly and accurately, and comply with local and international laws and legislation related to accounting and financial reporting.

It is worth noting that accounting standards are constantly being updated and developed, in order to provide greater transparency and accuracy in financial statements and meet the changing needs of financial markets and investors. Therefore, companies must follow accounting and technical developments related to them, and work to apply the latest accounting standards and modern methods in preparing financial statements, in order to improve their quality and increase confidence in them.

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