

## **TOWARDS A THEORY OF CULTURAL INFLUENCE ON THE DEVELOPMENT OF ACCOUNTING SYSTEMS INTERNATIONALLY**

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### **Abstract**

Cultural Influences on Accounting and Its Practices Accounting is far more than methodologies, numbers and financial statements. It holds to basic rules and standards to preserve the profession's purpose, but is also shaped by a variety of internal and external forces. The accounting practice actually signifies and represents the culture in which it is performed. So every nation should use effective, independent and high quality accounting and auditing standards, practice high quality auditing standards, establish audit firms with effective quality controls worldwide, launch profession-wide quality assurance and active regulatory oversight. Therefore above factors can consider as the research solutions.

Accounting provides useful information to decision makers, thus as the business environment has changed it influence for culture because of culture is a subsection of the business environment. As a result of these changes it may effect for organization's accounting standards. Alternatives of the cultural influence could produce or destroy information related to the international accounting standards.

Although there are significant benefits to implementing international accounting standards and it is increasing in importance there are still many challenges to further development and confident implementation. To best understand these challenges one must look at the factors that influence the development of accounting regulations. Such factors can include social and cultural values, political and legal systems, business activities and economic conditions, standard setting processes, capital markets and forms of ownership and finally cooperative efforts by nations. These factors if properly understood can moderate or even eliminate the challenges to international accounting standards. International accounting standards are important today and will most certainly become more important for the future as they are further developed. Thus International Accounting Standards are central to this concept.

**Key words:** Accounting policies; Culture; Financial reporting.