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Synopsis of the accounting investigate inside the Hellenic business milieu

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Abstract-

The extent of this paper is to provide a synopsis of the accounting investigate inside the Hellenic business milieu.

In adding together, we will scrutinize the eminence of audit in publicly listed companies, as prescribed by the expression “scrutiny gap”; this term specifies and characterizes the growing public concern regarding the audit report credibility and efficiency. These two topics Hellenic secretarial and audit upbringing) boast be isolated and examined from the previous researchers in depth; however, the novel think of this revise is that it examines this “inventory gap”, which is the gap between the expectations the public has from the auditors and what auditors in point of fact do in their rumor 2008.

This investigate is constructive for wealth souk and audit powers with the purpose of be alive as they be supposed to focal point supplementary on humanizing audit effort and prepare office and auditing values that avert take-home pay executive. nevertheless, our cram has the restraint that it examined the wealth market, audit and secretarial atmosphere of a single country, i.e. Hellas/Greece

Key-words: Allocate based reimbursement expense, stock-based recompense expense, stock option plan, IASB, FASB, selection worth model, vital verdict, flaxen consequence, scrutinize inscription.

I. INTRODUCTION

The scope of this paper is to provide a synopsis of the accounting research in the Hellenic corporate environment. Why Hellas? Hellas is a “natural experiment” in the sense that it has special characteristics that substantially differ from other European countries. Hellas is a small continental Europe country; however, it has many socio-political features that distinguish the specific country from other European countries. As Lazarides (2007, p. 2) states “Greece has the same characteristics as Spain, Portugal and other countries that are ranked in the Continental Europe corporate governance system (Franks et al., 2008; Kaufmann et al., 2009; Shleifer and Vishnay, 1997)”. Hellas presented one of the lowest ownership dispersion percentages among civil law countries, with 67% ownership concentration (La Porta et al., 1999, Note 1); in addition, Hellenic Capital Market Commission (www.hcmc.gr) showed that ownership dispersion in Athens Stock Exchange (ASE), in 2001, was middle to low (i.e. about 35% based on shareholders who own less than 1% of the stock and around 50% on shareholders who hold less than 5% of company’s shares). In listed companies, the decision making and administration processes are mainly controlled by big (mainly family) shareholders; small and medium-sized enterprises are basically those that present a family character, while the larger, in market capitalization, firms tend to have higher dispersion (Note 2). However, family firms have some competitive advantages; for example, as Spanos et al., (2004, p. 3) state “altruistic behavior and trust can also produce many advantages in the family firm’s context e.g. collective ownership by all family members working in the firm, reduction of information asymmetries among family members and commitment of corporate leaders to the firm’s long-term performance” (Note 3). In addition, Hellenic corporate governance system mainly follows the insider/bank-based system; specifically, it shows: a) few independent committees, b) limited financial disclosure (mainly for tax purposes) and c) weaker investor protection. <http://afr.sciencedupress.com> Accounting and Finance Research Vol. 10, No. 1; 2021 Published by Sciedu Press 76 ISSN 1927-5986 E-ISSN 1927-5994 Regarding earnings management, Leuz et al. (2003) and Bhattacharya et al. (2003) found that Hellenic companies manipulate their accounting numbers more compared to other European countries. Last fifteen years (starting around 2005)

Hellas faced three major financial events that affected capital market as well as Hellenic corporate environment; those events include the: a) Olympic Games in 2004 and the implementation of International Financial Reporting Standards (IFRS) on listed companies (applied on the financial statements starting from 1st January 2005), b) global financial crisis (started in US around 2007) and c) Hellenic debt crisis (started in 2009-2010). In this paper, we will also examine the quality of audit in publicly listed companies, as prescribed by the term “audit gap”; this term specifies and characterizes the growing public concern regarding the auditor report credibility and efficiency. These two topics (Hellenic accounting and auditing environment) have been isolated and examined from the previous researchers in depth; however, the novel think of this study is that it examines this “audit gap”, which is the gap between the expectations that public has from the auditors and what auditors actually do in their reports (Caramanis, 2008). This term is examined in addition to earnings management phenomenon, which raises the public concerns about the quality of financial information provided in financial statements prepared by companies’ management and audited by qualified/certified auditors. The topics investigated are crucial and extremely important as they affect capital providers’ decisions to invest; in addition, this study will help regulators in order to recognize and prevent bad economic behavior that will damage “public trust”/confidence of financial statements. In our opinion, these topics have been under-researched and we will try to fill that gap with this research. Hellenic cultural, political and economic environment are being influenced by Eastern and Western influences (Caramanis, 2005). The development of accounting, auditing and corporate environment in Hellas can be linked to: a) cultural factors, b) family structure of business (Note 4), c) law, d) political and e) institutional factors (Ballas, 1994). In addition, “Hellas is considered to be a low trust society with strong preference for state regulation (Ballas et al., 1998 and 2012). The paper is organized as follows: in the second section we discuss about the Hellenic capital market from 1996 till now and in the next section we look into the audit framework the last half century (from 1955). In the fourth section we examine the Hellenic accounting standards evolution and in the fifth section we conclude.

Underlying principle

The rationale of this hypothesis consists of four parts: Describe existing and proposed rules, namely: - “Secretarial for Stock-Based Compensation,” Statement of Financial Accounting Standard No. 123; - “Accounting for Stock-Based Compensation – Transition and Disclosure,” account of Financial Accounting Standard No. 148; - “Share-Based Payment,” publicity sketch global Financial

coverage ordinary;

Accounting workplace research examines how accounting information is identified, measured, appreciated, and disclosed. Accounting investigate also examines how stakeholders use accounting information, the regulatory setting in which the office career operates the possessions of standard setting bodies, and theruling and pronouncement manufacture of bookkeeping professionals and other organizational stakeholders.

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