BOOK REVIEW

International Accounting: A User Perspective

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It is fascinating to see how scholars` perspectives on international accounting are often imbalanced. Some overemphasize the importance of certain international accounting bodies; whereas others focus excessively on accounting development in certain developed economy. In their hands, accounting classification and harmonization are crafted to support narrow and fragmented notions. In fact, this could not be called "international accounting", but is merely the practice of converting accounting texts to naked campaigns for accounting standards-setting bodies and multinational firms. In addition, they often flood a single textbook with too much detailed information; as well as compare the application of international accounting of too many countries and firms, thus discouraging students and other users of financial statements from comprehending this discipline.

It is therefore rare to come across a particularly perceptive scholar who holds a neutral view of accounting and produces an unbiased academic work. Shahrokh M. Saudagaran, in his book, *International Accounting: A User Perspective* (2009), not only resists the temptation of being mainstream, but also critically recognizes the neutrality of academic materials and presents a succinct yet comprehensive international accounting text book for a wider audience.

As can be seen from the title of the book, since his aim is to create a user-friendly contemporary explanation of international accounting, Saudagaran is well aware that "… there are very few businesses in the twenty-first century that are not impacted by globalization and hence by some aspect of international financial reporting." The book therefore is designed to help both groups of users, businessmen and students on one hand, and preparers and regulators of financial statements, on the other, to understand important aspects of global financial reporting. It is obvious that this is not achieved without a sharp departure from the conventional international accounting narrative, for thought- provoking reasons that will be elaborated upon in this review.

Saudagaran exhibits coherence and logic in this book. It is arranged into seven chapters, each with its special focus.. Chapter 1 explains the causes and effects of the diversity of accounting rules and roles among jurisdictions. Chapter 2 examines the important aspects of international accounting harmonization, such as pros and cons, measures, organizations that engage in it, models and scenarios. Chapter 3 discusses accounting for currency exchange rate changes and their impact on management decision. Chapter 4 deals with current complicated issues in a global context, including: accounting for changing prices, accounting for goodwill and intangible assets, geographic segment reporting, and environmental and social reporting. Chapter 5 presents the use of international financial reports and its related problems. Chapter 6 focuses on financial reporting in emerging markets. The last chapter elaborates on managerial issues in international accounting; for instance, budgeting and performance evaluation, global risk management, transfer pricing, and information technology.

The book is structured in such as way as to serve as a general guideline for readers to help them understand the similarities and differences in financial reporting practices and regulation across the world. A complete overview of modern global accounting, it is nonetheless simple and easy to read the length of the book notwithstanding; its arguments logically presented and well-written, with proper emphasis on the more important topics. For instance, the book provides straightforward examples of various types of reaction of international accounting from international firms. It shows how these firms could respond by way of various approaches, including: the do-nothing approach, convenience translation, convenience statement, limited restatement and reconciliation, and secondary statements to specific or non-specific jurisdictions. Similarly, it offers a practical way to choosing the appropriate foreign exchange translation methods in international context.

Another crucial feature of this book is that it bridges accounting researchers and users of financial reports who usually do not access the latest accounting research. To show obstacles to harmonization or to illustrate the effects of global accounting diversity on capital markets for example, the book extensively cites more than five renowned scholars. These make the book suited to both expert and novice users of international accounting texts.

However, what makes the book really stand out is that it incorporates an overview of financial reporting in emerging capital markets, a segment that most texts consider unimportant. It argues that " As these [developing] countries continue to grow in importance so does the need to learn of the special accounting issues facing them." Furthermore, it elucidates the fact that regionalization of accounting standards among developing countries is unlikely to happen for several reasons: there is no clear rationale for why regional harmonization is important for the region, insufficient level of economic integrity, insufficient supports from local and regional institutions, and finally immature and uneven economic development and accounting system. These features of the book thus make the reader understand the book's "user perspective". What seem to be accounting regulators and preparers in the accounting system of developing countries are actually accounting users within the current international accounting setting. Governments, firms, and accounting professionals are the users because they are outside of the ruling accounting standards-setting regime. As is expected, unlike mainstream textbooks, it warns that the effects of regionalization and globalization of accounting standards are concurrent, yet diametrical, on an individual country. Moreover, it stresses that accounting convergence could lead to a situation that counties, especially developing countries, adopt an inappropriate set of accounting standards, conceal their real accounting basis, and impede their macroeconomic performances. Despite the fact that the book should improve its lay out and printing quality in certain parts, it is a comprehensive but still comprehensible, practical and pedagogical accounting textbook that touches on essential aspects of international accounting. To anyone who would like a complete review of inherent diversities and controversies in global accounting practice and their effects on a "user perspective", this book is highly recommended.