“FEASIBILITIES OF THE IMPLEMENTATION OF INTERNATIONAL ACCOUNTING STANDARDS BY NON – LISTED IN THE STOCK MARKET OF ATHENS COMPANIES. THE CASE OF PROCESSING SECTION IN NORTHERN GREECE”

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September, 2007
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ABSTRACT

In Greece the adoption and implementation of the International Financial Reporting Standards (IFRS), previously International Accounting Standards (IAS) is compulsory for the listed in the stock market companies since 2005. Nowadays, is seriously discussed their implementation by the non – listed companies.

In the present dissertation, as a primary stage it is studied, the differences that came up from the implementation of IASs by the listed companies, with main object the study of the degree of acceptance of the International Accounting Standards, the determination of the prospects and threats that can arise from the adoption of the new accounting principles, and the degree of readiness and preparation of the non - listed companies.

The research is focused on the processing non – listed companies of Northern Greece and it is carrying on with the use of a questionnaire.
INTRODUCTION

Due to the globalization of market and the need of companies for continuously extension, these companies are called to redefine their philosophy, culture and strategy according to the commonly followed international environment of rules and legislations. The use of a common accounting framework compiles the main mean for the accomplishment of the aims of organizations.

Significant contribution on these has the adoption of the International Financial Reporting Standards (IFRS), previously International Accounting Standards (IAS). So it has been decided that all the countries of the European Union (EU) have to apply the International Accounting Standards (IAS), and particularly, at least as a first stage, the listed companies in the stock – market, so as all have a common framework. After this decision every country began to adjust their accounting principles and policies adopting the conceptual framework of IAS and from 1st January 2005 they had to implement the IAS compulsory.

In the present dissertation it will be discussed, at a first stage, what exactly are the International Accounting Standards, which are their aims, how has been made the harmonization of local GAAP with the IASs, and to be more specific it will be made an effort to locate the differences between the Greek GAAP and IASs. At the second stage, which represents and the main objective of the research will be focused on the appraisal of the ability of IASs to represent with clarity the financial volumes of the non – listed in the stock – market processing companies. Consequently, it will be projected the degree of acceptance of the International Accounting Standards, the determination of the prospects and threats that can arise from the adoption of the new accounting principles, and the degree of readiness and preparation of the processing companies.

In order to be achieved this it will be carrying on a research based on a questionnaire that it will be sent to the processing companies of Northern Greece, with the assumption that are not listed in the stock market. At this point is where the dissertation has most interest, since the listed companies in the stock market have already implemented their financial statements according to IASs, while for the non – listed the implementation of IASs is totally discretionery. It is going to be examined how many companies have implemented IASs, which will be the prospects and threats after the implementation and if they are ready for something like this. After all
it is commonly known that in the future the implementation of International Accounting Standards will be compulsory for all the companies, either they are listed in the stock market or not. Furthermore, this research is going to help us to locate the difficulties that probably the companies will have to deal with when they are going to implement their financial statements according to IASs/IFRSs. At this point we have to mention that it is very important if the non listed companies are prepare to adopt the common conceptual framework of IASs or not.
1. INTERNATIONAL FINANCIAL REPORTING STANDARDS

The International Financial Reporting Standards (IFRS), as they were afterwards named the International Accounting Standards (IAS) on April 2001, are formed by the International Accounting Standards Board (IASB), previously Committee IASC. The IASC was established in 1973 in order to work for the improvement and harmonization of financial statements. The IFRS aim to illustrate the financial statements of every business correctly and with scientific precision, so as to be reliable and compared, not only in our country but to international level.

The implementation of IFRSs/IASs has as a result important changes on current accounting principles and on the other hand the compilation of financial statements is made based on the basic philosophy of the presentation of the real picture of the income and cash flows statements of the company, so as to be evaluated if it can continue the activity on the business world as an active financial individuality (viability).

IASB (previously IASC) has published up today 41 IAS and 8 IFRS in total. IASB during the IASs publication focuses on material items. Its try is for the IAS not to be so complicated, so as to be applied effectively on a world basis. The standards are continuously revised, taking into consideration the current situation. That is why some of those that were published in the past, have been replaced with revised or new standards, or even have been abolished (according to the information from the web site www.iasplus.com).

1.1 THE PURPOSES OF IASB

The purposes of IASB, as posed on the constitution are:

- To form and publish, for the public, Accounting Standards, that must be implemented during the presentation of the financial statements and to promote their global acceptance and
- To generally work for the improvement and harmonization of the rules, of the accounting methods and procedures that have to do with the presentation of financial statements.

The members agree to support the work of IASB having the obligations bellow
• The publication to their corresponding countries of IASs that are accepted for publication by the Board of IASB and
• Every possible effort
  a) To make sure that the published financial statements implement on every fundamental point the IASs and to make known the fact of its compliance
  b) To convince the government and the organizations of accounting publishing as well as the principles that control the stock markets and the commercial – industrial community, for the fact that the published financial statements must be compared according to IASs in every way.
  c) To assure that the auditors are satisfied that the financial statements implement IASs and
  d) To encourage the acceptance and implementation of the IASs internationally

(According to the information from the web site www.iasplus.com)

1.2 THE CONCEPTUAL FRAMEWORK
The financial statements are established and are presented at least every year and are aiming common informational needs of one broader circle of users. The framework sets the principles that administer the compilation and presentation of the financial statements for external users.

The aim of the framework is
1) To help the Board
   a) With the development of the future and with the revision of the subordinate IASs and,
   b) With the promotion of the coexistence of the rules and the accounting standards and procedures, providing the basis for the reduction of the alternative accounting handling, allowed by the IASs.
2) To help the qualified national bodies with the elaboration of the national standards
3) To help those that establish their financial statements with the implementation of IASs and to deal with issues that have to be object of an IAS.
4) To help the auditors to decide whether the financial statements live up to IASs
5) To help the users with the interpretation of the information that are contained in the financial statements, which were established according to the IASs and
6) To provide to everyone who’s interested in the work of IASB, information about its approach to the formation of IASs.

{According to Georgioy Athos (2003)}

1.3 WHAT ARE THE IASs AND IFRSs
Narrowly, IFRSs refer to the new numbered series of pronouncements that the IASB is issuing, as distinct from the IASs series issued by its predecessor. More broadly, IFRSs refer to the entire body of IASB pronouncements, including standards and interpretations approved by the predecessor IASC.

The IASs are rules of international recognition and acknowledgment that prescribe the elements and information that must be lined up to the published financial statements of a business.

The IASs define the rules of assets and liabilities assessment of the business, with which its incomes and expenses are quantitative, and by extension, the equity of the business, (according to the information from the web site www.iasplus.com).

As Georgioy Athos (2003), calls to attention that the aberrance or not implementation of a specific standard is allowed only under the bellow circumstances and in extreme occasions.

- When the implementation of a standard is possible to cause a negative influence on the presentation of the real and fair picture of the cash flow and income statements.
- When the aberrance contributes to the attribution of a real and fair presentation.

In these cases though, the standard from which there is the aberrance, the reasons the aberrance point and its financial influence must be published. Nevertheless, any possible contrast between the pretensions of different countries is not a reason for aberrance or not implementation of a specific standard.

The IASs do not limit the supply of additional information about the presentation’s pretensions of different standards for their full informing that will study or use the financial statements of a company. The presentation’s pretensions define the minimum of information that will have to be included in them. The followed
Accounting Principles are the specific principles, conditions and practices applied by a company for the preparation and presentation of financial statements. Thus, the management of every company will have to choose and implement this kind of accounting principles, so as the financial statements to agree with the demands of the IASs and the interpretative guidelines of the “Interpretative Guideline Publishing Committee” about the Standing Interpretations Committee (SIC).
2. HARMONIZATION OF GREEK GAAP WITH IASs

The appliance of International accounting standards with embracing of accounting policies, changes decisively the accountant scenery. The existence of globalization, the new developing markets in Eastern Europe and the investors’ attracting for new fund resources was determined the necessity for requisite harmonization. Briefly, harmonization is concerned with reducing the diversity that exists between accounting practices in order to improve the comparability of financial statements from different countries.

The comparability project was a main point of criticism regarding the numerous alternatives allowed by IASs. The focus was on development of high-quality standards which could be made excellent tools in cross-border reporting. Despite of significant IASBs’ efforts, the adoption of IASs brings out the semantic cultural variances as discrepant factor in desired compliance. Wallace, W.,(1999) outline a framework with significant issues spotted as influential factors in accounting harmonization: Basis of accounting, Valuation, basis of accounting, Degree of complexity, are some of the most semantic factors which are differentiated for discriminating context, this context provide a ground for dialogue of accounting treatment. The wanted convergence to IAS is the equilibrium point with respect Legal National Law. In Europe the harmonization is achieved through Directives (fourth and seven) and Regulations (EC 1606/2002) which must be incorporated in national laws of members states.

According to Panagiotidis (2004), the adoption of International Accounting Standards in Greece is considered a chance for the Greek companies since they would be able to elect their faculties and compete equally in international level. In Greek scenery the IAS adoption heavily waves the inherent accounting practices as the existent National Laws have established a non-flexible legal-state with taxing context. However the listed companies, in Athens Stock Exchange, having adopted the IAS, Law 2992/2002 and Law 3229/2004, have consequently shifted the accountant conditions.

A parameter that depicts the results of the harmonization between IASs and Greek Gaap is the differences that have managed to be detected through the study of both, International and Greek accounting standards.
2.1 THE DIFFERENCES BETWEEN IASs AND GREEK GAAP

IAS 1: PRESENTATION OF FINANCIAL STATEMENTS

With the adoption of the 4th directive of E.E.C. there are no more significant differences concerning the basic accounting principles, according to which the interpretation of the financial statements is made. Practically, the general principles are the same with these of IAS. The differences lie in the fact that the interpretation of the “Board of the disposal results” is not provided in the consolidated financial statements, while the presentation of the Income statement becomes in vertical disposition with obligatory inscription of the turnover, fact that refers to the method of expenses by operation that is also referred to the IAS 1. Yet, according to the basic principles the interpretation of the statement of Changes in Equity of the company is not provided, while the statement of the Cash Flows composes only the listed in the stock market companies.

On the basis of the demands of IASs, these statements, balance sheet, income statement etc, are a brief form of the equivalent statements that were composed till today. The only difference is that all the detailed information about the various amounts that are included in these statements are included in the "Notes" or “Disclosures”, that follow and are thought to be an “integral” part of these statements, instead of the interpretation of the “Annex” and the "Informative Form". In other words the presentation demands on the basis of the directions of each standard refer to the additional information which must be included in the notes about the financial statements of every company, Georgioy (2003) in contrast with Adamidis (1998).

So it is observed that according to IAS 1 are introduced new forms of financial statements while in parallel it ignores the Board of the disposal results.

IAS 2: INVENTORIES

According to the basic accounting principles the inventories are estimated in the lower price of their possession or production value of their current price and their fair liquid value during the closing day of the balance sheet. The cost of inventories is determined as their pricing value increased with the special buying expenses for the bought products and the production cost for the products that the company make. The scrap products, the by-products and the defective products are estimated in the fair price of their sale. Concerning the notifications that must happen to the disclosures is
the following method of cost determination, the change of the method and the justification of her conditions and also the influence of that change in the results of operations.

The main difference is noted in the methods of evaluating. According to Greek accounting chart the acceptable methods are a) F.I.F.O. b) L.I.F.O. c) Weighted average, while according to B. Elliot and J.Elliot (2006), the L.I.F.O method has been prohibited.

**IAS 7: CASH FLOW STATEMENTS**

According to the decision of the administrative board of the committee of the capital market (5/204/14-11-2000), the only difference that is mentioned in the basic accounting principles with this standard, is that in the accounting principles the presentation of the cash flow statement is made only with the indirect method (fair flows from payments and receipts), while the rules of the standard accept also the application of the direct method (adjustments of the accounting period’s profits), B. Elliot and J.Elliot (2006).

**IAS 8: ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS**

In this standard the differences that are mentioned are that to the till today existing there are no clear directions about the corrections of fundamental errors. The correction becomes by means of the profit balance carried forward, or by means of the results, but without the expressed demands of some notifications. Yet, there are no terms about the retrospective application or reorganization of the financial statements. Usually the influences from the change in the accounting principles become in the accounting period where they happen. However what is demanded here is notification with note to the balance sheet or to the notes. According to the Books and Records Code the actions that affect the results of operations of a specific accounting period are inserted in the balance sheet in 4 months from the expiration of the period. After this date the financial statements of the business are definitive and it is not allowed to happen modificative entries of the balance, fact that if happens, the books of the business may be characterized as inaccurate, Filos G. (2001).
IAS 10: EVENTS AFTER THE BALANCE SHEET DATE
In this standard it is not necessary to mention the differences that exist between the Greek accounting standards. Its differences are similar to those of IAS 8.

IAS 11: CONSTRUCTION CONTRACTS
According to the pronouncement No 257/1995 of Greek General Accounting Plan, the long term contracts must be accounted either by using the method of the sectional completion of the task or on the basis of the method of the completion of the task. Of course, the most usual accounting method is the recognition of the income on the basis of the pricings, which follow the equivalent certifications. The cost is inserted in the use where it is realized, while possible future damages are not recognized, Filos G. (2001).

IAS 12: INCOME TAXES
According to Filos (2001), in the Greek basic accounting principles the income tax is a "company burden" and is estimated via the board of distribution of profits, while it is evaluated according to the appropriate adjustments of expenses/incomes which are not recognized by taxation authorities. An also important difference is that in Greek Gaap, there is no term that refers to the calculus of deferred tax so there is no point of whichever distinction of the accounting differences accordingly to their future progress. According to the articles of Books and Records Code, the tax does not form the annual accounting result but it is appropriated from the already formed results of operations. In order to be defined the amount of the tax charge, the accounting use result is considered to be base, more or less the related accounting differences.

In the light of the calculus and the depiction of the current and deferred income taxes in temporary and permanent, on the basis of the IAS, there are points of reauthentication of the method of estimation, declaration and return of the income tax. In other words, a matter of readjustment of the base of tax estimation arises, for example in the case that the annual accounting result will be taken into account before the charge (or increase) with the equivalent tax liability (or demand). Furthermore, there is a point of distinction of the accounting differences in temporary and peramnents. Practically this will probably entail:
Different elaboration of the annual declarations of the income tax in order to
be offered detailed and distinctive depiction of the accounting differences and
the related tax obligation/demand.

Configuration of appropriate, explicative and informative accompanying
forms and statements.

Different time and procedure of filing of the elements to the tax principles.

Different procedure of elements control from the tax principles.

**IAS 14: SEGMENT REPORTING**

This standard predicts that every listed company which has more than one
geographical or corporate sections of action, it must show in details the results in each
section and the total of the asset and liability elements in these sections, as long as
each section is bigger than the 10% of the total. In the Greek law and order there is no

**IAS 16: PROPERTY, PLANT AND EQUIPMENT**

Filos G. (2001), mention in his article the main differences between IAS 16 and
Greek Gaap. Particularly he states that the Greek General Accounting Plan and the
law N.2190 /1920, determine that the embodied fixed investments must be inserted in
the possession value and depreciated according to the depreciation rates that are
provided by the PD 100/98, which determines the highest admissible tax rates. The
value readjustments are allowed just for courts, grounds and buildings and only on the
basis of the law.

On the basis of the IAS the embodied assets are inserted in the possession value,
which for the fixed assets includes the various acquisition expenses, while the
possibility of the evaluation of the assets in their current price exists. Besides, on the
basis of the standard the depreciations are being held according to the rates that are
being formed by the useful life of the asset that the business expects. In case of
readjustment the depreciations are being held on the basis of the readjusted value.

However, according to the internal terms of Books and Records Code, the assets are
appraised in the acquisition value, which does not include the acquisition expenses of
the fixed assets, but it aims specifically that the related expenses are inserted as first
installation expenses or are expended in the use. Readjustment of value is allowed
just to the fixed assets as obligatorily held every 4 years, on the basis of the rates that are determined by Ministerial Decisions. The depreciations that are recognized by the Greek tax law as tax deductible are only those depreciations that coincide with the specific rates that the PD 100/1998 determines for every category of standards.

IAS 17: LEASES
As Filos G. (2001), mentions, on the basis of the Greek basic accounting principles the contracts of the financial lease are presented as operational. In the end of the lease the ownership of the leasing assets is transferred to the lessee in a price significantly lower than their real value. The leasing assets are presented in the balance sheet as depreciable assets and are depreciated during the contract. The monthly wages are inserted in the income statements with the accrued method. The difference between cost and value of the asset is estimated directly to the income statement in all cases. The IASs are coming in direct contrast with the terms of the Greek law. Specifically, the Greek law predicts the depreciations to the leasing assets by the lessor company on the basis of the duration of the lease, while according to the rules of this standard, the depreciations to the leasing asset holds the lessee on the basis of the useful life of the asset. Yet, according to the IAS, that part of the wage that concerns the paying off of the interest is recognized as income of the lessor and as expense of the lessee, while according to the Greek law, the wages that the lessee pays down to the lessor are operational expenses (and income for the lessor) that are recognized for tax deduction.

IAS 18: REVENUES
According to the Greek law incomes come also from the allowances and the subsidies, except those that are given for the assets' acquisition, but also from investments of the available capitals of the business. The expressed in money units buying power that is obtained is considered to be a revenue, while the IAS accept as revenue an action of exchange of products or services. Yet, an important difference is that the IASs are based on the principle of accrued and on the principle of the equivalence of incomes-expenses, while the Greek Code of Income Taxation is based on the principle of the overdue and the balance due, Filos G. (2001).
IAS 19: EMPLOYEE BENEFITS

In the Greek law there is a set out about the transaction of provision for the retirement compensations and staff dismissal, which is estimated on the basis of boards of the law 2112/20. Yet, on the basis of a special opinion of the legal council of the state, the 40% of the upper total obligation is thought to be accounting acceptable for record.

The IAS predicts that the results are bore to the part that falls to each period with the predicted cost of the retirement benefits that the company will pay down in the future, as this arises from a definite program of retirement benefits. In the Greek tax law, as tax deductible expense is only recognized, the provision that corresponds to the compensation of the staff that is retired in the following financial year, Filos G. (2001).

IAS 20: ACCOUNTING FOR GOVERNMENT GRANTS AND DISCLOSURE OF GOVERNMENT ASSISTANCE

The Greek General Accounting Plan and the related to the subject Opinions of Greek General Accounting Plan determine the accounting confrontation of the state allowances. Practically the Greek law has adopted the IAS 20 and it is completely harmonized with the 4th direction of E.E.C.

The only difference is that according to the Greek law the allowances that concern the buying of the assets, are presented in accounts of net worth, while this is not allowed in the IAS. In order to rational charge exist of the income’s statement with the transacted depreciations of the fixed assets that have been subsidized, reduction of allowance accounts is held, in credit of the income of the period. This reduction is realized with factor proportional to the depreciation rate of the fixed asset, Filos G. (2001).

IAS 21: THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

A basic difference between the Greek law and the IAS is that according to the first, all the elements are converted with the parity of the closure date.

Concerning the handling of the profit or the loss from foreign exchange differences, the Book and Record Code determines that the debit differences, as long as they are offset with possible credit differences from equivalent loans, they are capitalized and
depreciated proportionally to the remained duration of the law. The IAS allows such a handling, but also allows the total spending of the related difference in the period.

One more difference is that under this standard, the exchange differences that result from investments in foreign businesses must be represented in the net worth until their transference, when the related income or expense will be recognized. The same applies also to the exchange differences that result from the obligations in foreign currency that are made for the danger offsetting from investment in a foreign business. However, according to the Book and Record Code, the upper exchange differences are inserted in the income statement and they are deducted or included in the tax incomes, Georgiyo Athos (2003) in contrast with Marinakis P. (2002).

**IAS 22: BUSINESS COMBINATIONS**

Generally, in the Greek standards, the consolidations are considered to be modifications of legal form and no repurchases and are estimated with the method of the interests’ assembly. Yet, in contrast to the IAS, rarely is recognized a surplus value, goodwill, which is depreciated in 5 years equals in amount. The negative goodwill is only recognized during the consolidation and is directly recorded in the net worth of the company as consolidation difference. The consolidations are regulated to the Greek law by an extensive tissue of terms and for tax aims are ruled by two statutes, where in the one the assets valuation in current values is imposed but not to the other.

With the implementation of the IASs there is a point of a different way of realization of the repurchases and the consolidations, as long as they lay specific criteria related to the method that will be followed, while according to the existing terms which have been formed around an axis of tax relieves, is just a point of choice of the involved parts, Filos G. (2001).

**IFRS 3: BUSINESS COMBINATIONS**

IFRS 3 superseded IAS 22 and is effective since 2004. The changes that brought on this replacement, as it is mentioned in the pocket – size guide of IASs and IFRSs that has published the Deloitte (2007), are focused on the accounting method. According to the new standard it must be used the purchased method and the uniting of interests is prohibited. Furthermore, another change concerns the acquisition of all identifiable assets, liabilities and contingent liabilities, which are measured at their fair values.
The goodwill does not amortised, but is tested for impairment annually, while the negative goodwill is recognised in profit and loss account immediately. Finally, the restructuring costs are only recognized to extend that a liability exists at the acquisition date. These changes influence and the differences that exist between IAS 22 and Greek Standards, since they are replace the rules of the superseding standard.

**IAS 23: BORROWING COSTS**

The difference of the Greek law with the specific standard is that, according to the Greek law, the expenses that are realized by the financial operation of the business burden her results of operations apart from those that concern the financing of assets which are in the constructive period. These interests can be considered as expenses of prolonged depreciation and to be depreciated either totally or in sections and equal in amounts in 5 years, Filos G. (2001).

**IAS 24: RELATED PARTY DISCLOSURES**

According to the terms of the Greek law 2190/1920, associated businesses are thought to be only the companies among which there is a relation of parent to subsidiary ones and the subsidiaries of these companies or the associated with them. Another important difference with this standard is the notifications that must become to the disclosure. In the disclosure must be submitted, for the companies where there is participation over 10% of their capital, analysis that includes the seat, the firm, the percentage of the participation in the capital, the total of the owners capital and the total result of the last use, which the financial statements for each one of them were presented for. However, the parent company can omit to the disclosure the inscription of the owners’ capital and the result of the subsidiaries, if this information is included in the consolidated statements which are represented by her. Finally, according to the Greek accounting plan, the demands and the liabilities from and towards the associated companies must be represented to separate accounts of the balance sheet, Filos G. (2001).

**IAS 26: ACCOUNTING AND REPORTING BY RETIREMENT BENEFIT PLANS**

The specific standard is considered as a supplementary of IAS 19. The Greek legislation does not predicts something relative to this standard, while as concern the
tax legislation stand the same with those that are mentioned at IAS 19. In other words there are no significant differences between IAS 26 and Greek legislation, Filos G. (2001).

**IAS 27: CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

According to the basic accounting principles for the proof of the existence of control must there is participation at least 20% in shares or vote rights, while according to this standard a 50% is demanded, without meaning that if the business does not have this percentage there is no case of creation of relation of parent and subsidiary company. Besides, according to the Greek law, the rights of the minority and the differences of the consolidation are part of the consolidated owners’ capital, while according to this standard the minority interest must be presented to the consolidated balance sheets separately from the net worth and the current liabilities of the association, Filos G. (2001).

**IAS 28: INVESTMENTS IN ASSOCIATES**

The article 106 of the law 21090/1920 determines that the difference between the cost of the acquisition and the internal accounting value of the investment, during the first time that the method of the net worth is applied, is presented either as an intangible asset and is depreciated or abstractive, in the case of the debit difference, of the owners capital of the consolidated balance sheet, while whichever posterior change of the internal accounting value of the associated businesses is recorded in the results of operations. On the contrary, this standard determines that the investment is recorded firstly with the acquisition cost and then the accounting value increases or is reduced proportionally to the portion of the investor to the profits or the losses of the associated business.

With the IAS the financial statements of the paternal company can represent the value of the participation to subsidiary, either to the acquisition cost or to readjusted prices, or on the basis of the method of the net worth. However, according to the Greek Book and Record Code the valuation of the participations of associated companies does not differ in relation to the evaluation of the bonds in general, it becomes in the total lower price between the current and the acquisition cost. Finally, on the basis of the IAS, companies that come under consolidation must close the period in dates that are not far more than 3 months from the equivalent dates of the parent company. The
Greek Book and Record Code impose the closure of the period to the company either in the 30th of June or in the 31st of December of every year. Exceptionally, allows the transference of the related date, in order to be adapted to the equivalent date of the parent company but only when the last participates to the capital of the first with at least 50%. Georgioy Athos (2003) in contrast with Marinakis P. (2002).

**IAS 29: FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES**

This standard does not have any difference with Greek standards and it does not cause any problems as concern the tax legislation of Greece.

**IAS 30: DISCLOSURES IN THE FINANCIAL STATEMENTS OF BANKS AND SIMILAR FINANCIAL INSTITUTIONS**

The basic differences between this standard and the Greek basic accounting principles are marked to the assets and liabilities that have to be presented to the balance sheet and the income statement.

Another difference is the elements that must be notified. Concerning what determines the standard for this case it is referred upper. According to the Greek terms the banks have to notify, for the declining securing elements of the liability, detailed elements of every loan that exceeds the 10% of the total amount and the rest loans. Analysis of demands and liabilities accordingly to the remained time duration, proportion of different categories of incomes, per geographical market, as long as these markets differ between themselves considerably in the bank's opinion. Yet, amounts of payments in advance and credits must be notified to the members of the instruments that manage, analysis of the transferable titles to listed and non-listed, the total amount of the elements of the asset and liability that are expressed in a foreign coin after having been exchanged to local coin and statement of the outstanding during the day of the closure of the deferred works, distinguished in action of counterbalance or commercial aim.

Finally, the provisions of loans that the banks form are estimated to 1% to the middle annual balances and grants, while the formation of special provisions with tax recognition is allowed if they are used in 8 years. The IASs do not provide such limitations, Filos G. (2001).

Note: the present standard has superseded by IFRS 7
IAS 31: INTERESTS IN JOINT VENTURES
The most important difference is that the IASs provide 3 kinds of joint ventures for accounting aims, while under the Greek legislative regime the only meaning of joint venture activity that is recognized taxation is the peculiar union of the tradesmen in order to achieve a specific goal, which is proved on the basis of documents of settlement contract laid to the responsible tax office. In this case the tax obligation is formed on the joint venture level and not on the level of the joint venture parts, Filos G. (2001).

IAS 32: FINANCIAL INSTRUMENTS: PRESENTATION
The only differences that are notified in this standard on the basis of those that stands according to Greek standards are on the point of the offsetting of the elements, where according to the standard is allowed only when there is lawful right of offsetting and when there is an intention of simultaneous liquidation of the demand with the liability, while with the Greek standards is not officially allowed because of legal obstacles and regulative terms.

The other difference is that according to the standard, some financial products whose way of liquidation depends on the uncertain results of future facts, are classified as liability for payment irrespective of their legal type, while if there is very far and minimum possibility of liquidation with cash, then they are classified as entitled liability. Contrary to all those, in the Greek basic accounting principles there are no specific terms and usually they are evaluated according to their legal type, Filos G. (2001).

Note: the present standard has superseded by IFRS 7

IFRS 7: FINANCIAL INSTRUMENTS: DISCLOSURES
IFRS 7 has superseded IAS 30 and 32, and its effective date is 1st January 2007.

According to the special edition that has been published by Deloitte in October 2005, the standard:

- adds new disclosures about financial instruments to those currently required by IAS 32: Financial Instruments: Disclosure and Presentation
- replaces the disclosure requirements currently imposed on financial institutions by IAS 30: Disclosures in the Financial Statements of Banks and Similar Financial Institutions and
- Puts all of those financial instruments disclosures together in a new combined Standard.

The remaining parts of IAS 32, which will be renamed Financial Instruments:
- Presentation, deal only with presentation matters, including classifying instruments as
- Debt or equity, compound financial instruments, offsetting, and treasury shares.

Since the replacement of IAS 30 and 32 by this standard is limited on their disclosures as it is mentioned above, there are no differences between IFRS 7 and Greek legislation.

**IAS 33: EARNINGS PER SHARE**
This standard does not have any difference with Greek standards and it does not cause any problems as concern the tax legislation of Greece.

**IAS 34: INTERIM FINANCIAL REPORTING**
The most important difference of this standard with the Greek law lies to the fact that the second determines the intermediate financial statements must be published at least for 6 months and those of the listed companies must be controlled by Certified Public Accountants. On the contrary, the standard does not determine a period of time for their publication and the regularity of their publication, neither which companies are going to publish them. It leaves those subjects to the legislative competence of the responsible principles of every state. Another important difference is that according to the standard the intermediate financial statement must include the balance sheet, the income statement, the statement of the cash flows, the statement of changes in equity and the explicative notes, while according to the Greek law they must include the balance sheet and the income statement. In other words, in the present case, the differences are same with the differences that are notified between the Greek law and the IAS 1, Filos G. (2001).

**IAS 35: DISCONTINUING OPERATIONS**
This standard does not have any difference with Greek standards and it does not cause any problems as concern the tax legislation of Greece.
IFRS 5: NON – CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

IFRS 5 superseded IAS 35 and it is effective since 2005. As it is mentioned in the pocket – size guide of IASs and IFRSs that has published the Deloitte (2007), the main changes that this replacement brought on are that according to IFRS 5 “a discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale”

and on the fact that “an operation is classified as discontinued at the date the entity has actually disposed of the operation, or when the operation meets the criteria to be classified as held for sale”. According to the Greek PD 1123/1980, there are no differences between IFRS 5 and the Greek Law.

IAS 36: IMPAIRMENT OF ASSETS

The Greek law predicts the evaluation of assets of a company for the estimation of the existence of the underestimation of their value. The loss that results from the underestimation of the value of those assets is recorded to the income statement during which this is recognized. But also whichever decrease of the underestimation that has been recognized in precedent years, is recorded in the incomes of the period during which resulted.

According to the Greek law specific and detailed direction of the valuation method is not predicted, for example the valuation of the future cash flows that the IASs predict. A reliable way of valuation, according to the Greek law, is the market value of the element, without being determined its reacquisition value. Besides, according to the Greek law every loss which results from the underestimation of the value of assets or profit from the decrease of the underestimation, which has been recognized in the precedent years it is recognized as profit or loss in the results of operations, which results in, in contrast to the IAS, which provide decrease or increase of the value of readjustment for assets that are represented to the readjusted values.
From the above we conclude that apart from the fact that the spirit of the Greek law and the IASs is alike (ascertainment of underestimation of the value of the assets), the harmonization with the IAS demands the adoption of a tissue of terms that determine the ways of the evaluation and of accounting confrontation, Filos G. (2001).

**IAS 37: PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

According to the IAS, the company has to hold provisions for possible imperment of the current value of the assets and possible future expenses. The Greek tax law does not recognize the tax deduction of the above provisions, only in the point that categorical provision exists (in other words the special provisions for precarious demands and for the retirement of the staff). In this point, in practice the Greek companies do not realize mostly provisions except the tax recognized, despite the fact that this is ordered by the accounting law.

With the implementation of the IAS, special provisions will be realized on the basis of specific elements which prove the possibility of the loss of the demand. General provisions, in the point that they are thought to be intentional, will also be formed on the basis of justifiable estimations of the bank and not on the basis of determined percentage, as the existing tax terms predict for the time being, Georgiou (2003) in contrast with Kaounis (2005).

**IAS 38: INTANGIBLE ASSETS**

The intangible assets, according to the Greek terms are capitalized and depreciated as equal amounts in 5 years the maximum. Some intangible elements (for example the industrial rights, the operation permission) are depreciated in the year of their productive life or during their legal duration. Yet, the intangible assets are valuated to their acquisition value and are depreciated either as equal amounts in the year of their productive use or, in the case that the intangible asset is for a small period of time protected by the law, during the time of this limited duration. According to the standard, the intangible assets in their majority must be spending in the period which they are created in. The intangible assets are capitalized only when it can be assured and substantiated sufficiently that there will be a future financial benefit for the company and when the cost of the intangible asset can be specified with complete accuracy. The depreciation must become systematically during the useful life of the
intangible asset, which must not surpass the 20 years. Concerning the acquisition expenses of the fixed investments, they must be part of the acquisition cost of the asset that refers to, and they are not a separate intangible asset.

Finally, the IASs predict the possibility (even under strict conditions) of readjustment of the intangible assets to their real value, with equivalent charge or increase of the results of operations. On the contrary, the Greek Book and Record Code as the Code of Income Tax do not include terms related to the evaluation of intangible goods, Georgiyo Athos (2003) in contrast with Marinakis P. (2002).

**IAS 39: FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT**

According to the Greek law, all the elements of the asset and liability are recorded in the acquisition cost, which represents the price that was received or was paid, while the accessory expenses of the acquisition either they are capitalized and depreciated in 5 years or spending. According to the IAS, the financial elements of the asset and the liability are firstly recorded in the acquisition cost, which is defined by the real value of the price that was paid or was received and includes all the accessory buying or payment expenses. Besides, in the Greek law there is no term that determines specifically the accounting and the evaluation of the derivatives and the offsetting actions. The Greek banks in their majority apply the accrued method for the accounting observation of the derivatives and they have indirectly adopted the policy of not recognizing the general offsetting of the danger. All these are opposed to those that the standard determines about the derivatives.

One other difference is that, under the regime of the IASs, the allowances are faced mostly as financial elements and they are laid to evaluation. The differences from the evaluation are transferred by each case to the results or, under conditions, directly to the net worth. On the contrary, in the Greek Book and Record Code there is no term about the evaluation of the allowances. The rules of the evaluation of the bonds that are predicted by the IASs, and that mostly refer to the real value during the evaluation day, they can create positive (profit), and negative differences (loss) from the evaluation. The Greek Book and Record Code predict evaluation in the totally lower price between the price of acquisition and the current price. Yet, on the basis of the IASs, the profits and the losses from the evaluation of the bonds are transferred mostly to the results of operations, while in some cases they can be transferred
directly to the net worth. However, according to the Greek Code of Income Tax, the loss that possibly results from the evaluation of the bonds does not deduct from the gross incomes but it is transferred to special accounts of reserve funds “Reserve funds from Bonds” for offsetting with profits from sale of bonds or from exchange/receiving of free bonds according to the terms of laws about the readjustment of the value of the fixed assets. There is no profit from the evaluation according to the existing tax terms.

The basic difference between the IASs and the existing Greek law lies to the fact that, according to the IASs, the derivatives are presented to the balance sheet and they are evaluated to their real value, while the existing tax law includes terms only for the imposition of tax to the realized profits from actions or contracts to the derivatives and for the discount of the realized loss from actions or contracts of derivatives only when they are realized for offsetting aims, Georgioy Athos (2003) in contrast with Marinakis P. (2002), Filos G. (2001).

**IAS 40: INVESTMENT PROPERTY**

In contrast to the rules of the standard, in the Greek law there is no separate representation of the fixed assets that are possessed for investment or they are capital amplification. The only thing that is determined is that the fixed assets that bring incomes are liable to depreciation, while the estimation of the value of the assets that are contributed to the company by the participations becomes by a special committee. Yet, according to the Greek law, there is no term that determines the use of alternative accounting principles for one exchange. The use or not of some principles is given to the units own initiative. On the contrary, in the case that an international accounting standard predicts more than one accounting methods, the company must choose and apply settled one of the methods, unless the Standard or the Interpretative Circular specifically demands or allows the classification of the species (exchanges, balances, amounts etc) which different methods are appropriated for. When a standard demands or allows classification, the most appropriate method must be chosen and applied steadily for every category.

When the most appropriate method has firstly been chosen, every change of this must become on the basis of the terms of the IAS 8 and it must be applied in all species or categories of species, Filos G. (2001).
IAS 41: AGRICULTURE

This standard does not have any difference with Greek standards since there are not any orders relative to this issue in the Greek LAW.
PART B

Until this point of the dissertation we were focused mainly on the results of the harmonization of International Accounting Standards with the Greek Standards, studying their differences. Passing to the second part, we are going to pay more attention at the building of a financial model, in order to ascertain whether the Greek non–listed in the stock market of Athens companies are ready to implement IASs on their financial statements. It has been made a lot of researches as concern the implementation of IASs by the listed in the stock market of Athens companies, since they are obligated to implement them. Nowadays, it is more interesting for someone to study if the non–listed companies in Greece are ready for the implementation of IASs, since it is said that sooner or later they will be obligated for this.

So the choice and the development of a such financial model for the right adoption and implementation of the non–listed companies (with specific assumptions and limitations), based on the experience that there is from the implementation of the listed in the stock market of Athens companies, is composes an imperative need. This model is considered to be useful, operational, and actable and it will contribute effective as a guide of control for the implementation of IASs.

3. FORMATION OF SEARCHING ASSUMPTIONS

The formation of this model will be based on some specific searching assumptions, which are the following:

The searching suppositions of the present research are the following:

H$_1$ = The number of the personnel occupied by the company is positively related to the adoption of International Accounting Standards from 2005, despite that the implementation of those is not compulsory.

H$_2$ = The suggested way of minimization of the problems about implementation of the International Accounting Standards and the formation of an organized plan of transition to those are dependant changeable.

H$_3$ = The experience level of the counterparts in the presentation of financial statements based on IASs and the need for embodying with new and specialized personnel for the successful implementation into IASs are dependant changeable.
H₄ = The enrollment of a company in a greater Greek or foreign group of companies, and the type of accounting standards used in the presentation of financial statements are dependant changeable.

H₅ = The knowledge degree of the new accounting rules and procedures is positively related to the potential of the most orthological expression of the financial being of the company, the most precise illustration of its financial position, improvement of the transparency of its financial statements and the most accurate evaluation of the qualifications of the company.

H₆ = The training level change of the accountants and the members of the Management Board of the company, with issues that touch the International Accounting Standards is positively related to the potential of the most orthological expression of the financial being of the company, the most precise illustration of its financial position, improvement of the transparency of its financial statements and the most accurate evaluation of the qualifications of the company.

H₇ = The life cycle stage of the product of the company and the strategies of a successful adoption and implementation of IASs are dependent changeable.

H₈ = The existence external activity of the company and the strategies changeable of successful adoption and implementation of IASs are independent changeable.
4. METHODS OF RESEARCH

Before continuing with the financial model it is really important to mention the methods that will be used for the research that has to be made for a correct building model.

For the successful completion of the present research it has been chosen the technique of the structured and direct method, since the questions and the answers of the questionnaire are determined and totally formalized, while the main aim and the general aims of the research are explained and analyzed to the interviewers with precision and easiness. The most important advantages of this kind of research are the easiness of filling in the questionnaire, the speed of its answers and the ability of the analytical process of the questionnaire. The point that requires paying attention is the formation of the questionnaire, which it must be made by the approval criterion and the manner that minimizes the possibilities of avoiding or the omission potential or alternative answers of the questions.

4.1 THE QUESTIONNAIRE

Of the variety of modes and methods used for collecting data, it has been chosen the combination of internet interview (e-mail) and postal interview (in the ratio of 96% - 4% in favor of the first technique). Financial Managers and Chief Accountants from the companies that participated to the research gave the answers to the questionnaires. Furthermore, General Managers, Chief Executive Officers and Accounts Department Staff that participated to the research, answered as well. The fact that all those who answered the questionnaires are executive staff indicates the importance of their opinion as well as the seriousness with which the companies deal with the particular issue. The analytic profile of those that answered to the questionnaire is represented to the following graph, which has been made according to the counterparts’ data process that participated in the searching procedure.
Previously, a contact by telephone with each one personally had taken place, in which all the goals of the research and its methodology had been explained, as well as, some questions and queries had been answered. The personal e-mails of all the executive counterparts had been asked, and the, specifically formed for this purpose, questionnaire had been sent to them (it was formed to be sent and to be answered electronically). To a specific page of the questionnaire are given detailed instructions of the way that the questionnaire can be electronically answered, which are quite clear and detailed, so and those who are not familiar to the usage of new technology could easily answer them. In case of inability or denial in answering the electronic form of the questionnaire, it was sent by post to a particular address and in favor of the executive counterpart with whom a previous agreement had been made. The mainly reason for which the e-mail sending and filling in of the questionnaire was chosen is in the highest degree utilization of the advantages that modern technology provides, but also, the high percentage of denial that the respondent staff rise in order to dispose their time to the other forms of interview (personal, by telephone, by post). Important is the fact, which makes the whole procedure impartial that there is no influence from the researcher to the respondent, nor either time pressure exists for filling in the questionnaire. The increased level of access to the internet that mostly the top executive counterparts have and the usage of their personal data (the e-mails are personal), has as a result the high degree of returning the answered questionnaires to the researcher filled in with comments, suggestions of improvement and other remarks. One big advantage of this technique is without dispute, the low cost of carrying out the research.
According to Petrakis (1999), the usage of postal dispatch of the questionnaire had taken place to those circumstances that existed inability of participation to the research (ignorance of the internet’s services and the usage of new technology’s tools). This way of answering constitutes the 4% of the original data collection. By this way, it had been avoided the low percentage of sending back the questionnaire, as it is mentioned to similar researches, the incapacity of controlling the send-back time and the clarifications to the misunderstood questions. The result of these disadvantages is the inability of defining the requested time so as the research can be completed (there is an estimation that the percentage of the returned questionnaires sent by post rises from 8% to 30%). To our research, from the questionnaire that we had sent by post the 85% of them had been answered and returned. From the 180 questionnaires that have been returned filled in, the 173 (almost 96%) had been answered and returned electronically and the rest 7 (almost 4%) had been returned by post. Totally, 9 questionnaires were sent by post, from which the 7 had been answered and sent back, that is to say a percentage of 77.8%. The relevant agreement had previously taken place by telephone contact and all the asked details and directions of how to answer the questionnaire had been given.

<table>
<thead>
<tr>
<th></th>
<th>BY E-MAIL</th>
<th>BY POST</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>SENT</td>
<td>225</td>
<td>9</td>
<td>234</td>
</tr>
<tr>
<td>ANSWERED</td>
<td>173</td>
<td>7</td>
<td>180</td>
</tr>
<tr>
<td>PERCENTAGE %</td>
<td>76.8%</td>
<td>77.8%</td>
<td>76.9%</td>
</tr>
</tbody>
</table>

The period of receiving the data was 3 months (January 2007 – March 2007). The percentage of the questionnaires that have been returned is quite high. The total percentage of the questionnaires that have been returned, either by electronic means or by post, reached the 76.9%. The questionnaires that have been returned filled in, were at first 186. Six questionnaires had many unanswered questions, even though it had been given specific instructions of how to be filled in. These questionnaires had not been taken into account to the elaboration and the analysis of the data (it was considered that the company did not answer at all).
4.1.1 THE STRUCTURE OF THE QUESTIONNAIRE

The main methodological implement of present research is the questionnaire. The questionnaire’s draft has been done with the application of all those rules and principals of a great one, with the usage of certain questions that satisfy all the needs, the goals and finally all the searching assumptions. The questionnaire is consisted of 44 questions that are being divided into 5 unit areas.

<table>
<thead>
<tr>
<th>UNIT A</th>
<th>ACCOUNT/ECONOMICAL DEPARTMENT AND WORKING LABOUR</th>
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<tbody>
<tr>
<td>UNIT B</td>
<td>DEGREE OF ACCEPTING THE IASs</td>
</tr>
<tr>
<td>UNIT C</td>
<td>EXPECTATIONS AND THREATS OF ACCEPTING IAS</td>
</tr>
<tr>
<td>UNIT D</td>
<td>COMPANY’S READINESS LEVEL</td>
</tr>
<tr>
<td>UNIT E</td>
<td>INFORMATION ABOUT COMPANY</td>
</tr>
</tbody>
</table>

At unit A, which consists of 3 questions, the respondents are asked to present the evidence that would indicate the existence of an Accounts Department or an Financial Department at the company (or just the existence of an exterior accountant), about Financier’s Manager or Chief’s Accountant participation at the council of the company, or the lack of it, and finally, about the number of the occupied people (full or part time occupied) that work at the Accounts or Financial Department of the company.

At unit B the questions are about the acceptance degree of IASs from the companies that participate to the research and in particular in the ways that these companies have in order to deal with the entrance of IASs, the degree of knowledge of the adjustments and rules of IASs, the degree of preference of the new standards.

Unit C embodies 15 questions that refer to the expectations, to the benefits and to the threats that come from a future acceptance and implementation of IASs. The consequences are reported to a variety of variables (foreign capitals, drawdown capitals, financial position and results, companies’ profit performance, the relationships among the company itself and the investors and analyzers, the necessity of skilled analyzers interference, the procedure of estimating the preparation of acceptance the new standards, the administrative informing).

Unit D which refers to the companies’ readiness level, it consists of 11 questions, the goal of which is to examine closely the degree of companies’ readiness and the
preparation that they have done, reference to the IASs acceptance. The questions are referred to the project’s planning and transition, to the time tabled materialization, to the indicated way of transition, to the degree of informing the Administration, to the present staff’s level experience, to the necessity of skilled staff, to the knowledge and handling of new standards, to the manifested interest for updating and educate into these new standards.

Finally, Unit E of the questionnaire is composed by 8 questions that are referring to the companies’ information and more specific to their industry’s section in which they are activated, whether they are listed or non – listed in the stock market of Athens, whether they are part of a larger Greek or Foreign association, on the stage of their life cycle, on the year of their establishment, on the number of the employees in all of the departments in the company either they are part time or full time.

The number of variables in the questionnaire on this research comes up to 68. The variables are of high quality and belong either to category scale or to ordering scale. When it comes to order variables, the measuring scales which are used are the above:

- Non comparative scale
- Comparative scale
- Classification scale
- Likert’s scale

Significant interest mark the questions not only referred to the profile of the companies, which participate on the research, but also to the existence, or not of individual Accounting Departments at these companies.

In specific, it is being examined the existence or not of an Accounting or Financial Department at the company or the cooperation with an external Accountant. It is also studied the participation of the Financial Manager or Chief’s Accounting Office at the director’s board of the company or at a similar Board of Directors, as well as the number of the employees who are being fully or part time occupied at the Accounting Office or at the company’s Financial Department.

At this point, it must be mentioned the fact that, although there were gathered 180 questionnaires that had to do with 134 non - listed processing companies of Athens Stock Market and with 46 listed on it, the analysis and process of the data were based only on the non - listed ones. There is also, a brief presentation of the findings that are related to the 46 listed processing companies of North Greece. The project of
correlations and of the various statistical control techniques, concerns only the information that related to the unlisted companies, which isolated from all the answered questionnaires (there are 134 questionnaires on the whole of 180). The reason for this is the exceptional academic and investigatory interest that presents the study of the unlisted companies’ behavior, for the future IASs’ adoption, even though there is no obligation in following them. This question forms the basic research purpose and the attempt to imprint a financial leader-model of a successfully adoption of the IASs from the unlisted companies of Athens Stock Market.

4.2 THE SAMPLE OF RESEARCH
As far as it concerns the kind of sampling that has been used at that particular searching procedure is the kind of a no-likelihood sample. The basic reasons of choosing this kind of sampling are mainly the above:

1) It is almost impossible to be done an accurate calculation of the population, namely to the ensemble of the non – listed in the Stock Market of Athens processing companies of North Greece.

2) It is taken for granted the fact that the number of the population is constantly altering (incrementally or depreciatingly) and does not display stability, even in the cases where there are accurate arithmetic data for the size of the population at a particular moment.

3) The sample can not be considered as a random one if there is no definition of the exact number of the population.

4) The sample has been chosen from the geographic area of North Greece (Central Macedonia, West Macedonia, East Macedonia, Thrace, Thessaly and Epirus). Therefore, research focuses in a great huge, but a specific geographic area (5 regions), because there is a disability in studying all the manufacturing enterprises that exist in Greece.

5) A sampling border that allows the draw of the sample units from a listed catalogue does not exist. Taking into account the lack of this parameter, the basic assumption of selecting a random sample does not occur.

As concern the methodology that has been followed, we have to say that all the companies that took part at the research are processing, productive companies or they have at least one section of their activities a productive one. The companies are located at North Greece and in specific at Central Macedonia, West Macedonia, East
Macedonia, Thrace, Thessaly and Epirus. In order to choose the tested companies we acted as following: It was given by ICAP a fully informative guide that included all the 750 largest companies of North Greece, based on their Assets of the last quadrennium. Meanwhile, for the same companies and for the same period, ICAP gave the Sales data, the Earnings data, the Equity data and the exact number of the employees working at them. The research is about the largest companies of the area, because they are the first one that are going to adopt and implement the IASs, hand in hand with the listed companies which they already have the obligation to implement IASs since the financial year of 2005. Therefore, the 180 that took part at the research, includes all the listed in Athens Stock Market processing, productive secondary companies of North Greece. The rest of them are non-listed to Athens Stock Market, processing and the biggest in North Greece. Detailed evidence are representatively given in the next two diagrams which indicate the geographical area in which the companies are located as well as the percentage data throughout the Nome the participated companies are located (the data are given from the answered questionnaires). Companies of all the mentioned above rural districts and of all their Nome, participate at the research. There has been no interference at their participation, because the confirmation that has been given from ICAP had already included the order of the companies, based on the above criteria.
The ICAP guide list included the 750 largest companies of North Greece during the four year period 2003, 2004, 2005, 2006 based on their Asset, that is to say, on their total Assets. The companies were classified by ascending order, based on the average of the Assets that they presented the last four years, so as to be an accurate and comparative classification of theirs. The measurement of the average of the Assets, it was thought to be a better level measure, than taking into account as a criterion of classification the total of the Assets, which the companies presented during a year (statistical approach). Thus, the first company (from the list of 750) of the
classification has an average Assets throughout the four-year period 200,000.000€ and the last one 800,000€. From the 750 companies which were at the ICAP’s list, were finally been chosen all those in which questionnaires were sent by post mail or by e-mail. From the 750 companies, only 180 answered the questionnaires (the last one of these 180 companies has average Assets for the four-year period at the amount of 1,000,000€). Therefore, no company of those, which participated to the research, has a four-year period average Assets (2003-2006) less than 1,000,000€. The average Assets of all the 180 companies that participated to the research (based on the four-year period average Assets) is 16,800,000€.

The companies that took part at the research present quite high Sales figures. Based on the average of Sales for the same companies for the same four-year period (2003-2006), the largest company in turnover has an average of Sales for the four-year period 275,000,000€ and the smallest one has an average of 1,200,000€. The average of the Sales of all the 180 companies that participated to the research (according to the average of Sales throughout the four-year period 2003-2006) comes up to 12,200,000€.

Reference to the companies’ Equity, the largest one in Equity has an average of Equity for the four-year period 2003-2006, 12,475,000€ and the smallest one has for the same period 700,000€. So the average of the Equity concerning all the 180 companies that took part in the research (based on the average of Equity during the four-year period 2003-2006) comes up to 7,186,000€.

The companies present some remarkable sizes of Profits. The largest company in Profits, based on the average Profit during the four-year period 2003-2006, has 20,800,000€ Earnings and the smallest has 250,000€ during the same mentioned period. The average of the Profits of all the 180 companies, based on the average Profit throughout the four-year period 2003-2006, approaches the amount of 500,000€.

The fact that the biggest companies of North Greece participated at the research is documented by the number of the employees working at the companies that took part in the research. Therefore, the company with the largest number of employees during the four-year period, occupies 110 people and the one with the less number of employees, occupies 15 people. The average number of the employees of all the 180 companies that participated to the research, according to the average number of their employees throughout the four-year period 2003-2006, comes up to 98 people.
Having the Asset during the past four years (2003-2006) as a dominate criterion, all of the 750 companies of the ICAP list participated to the research. From them, positively answered (participated with a fully answered questionnaire) the 180. The rest 570 companies (percentage of 76.00%) denied participating, rising as main reason the lack of time that the staff could dispose for their participation to the research as well as their obligation to prepare the Financial Statements considering that the financial year ends.

The financial data of the companies, which participated to the research, are briefly presented to the following table, which clearly indicates that the largest non-listed companies of North Greece have been chosen based on their Assets, on their Profits, on their Equity, on their Sales and on the number of their employees.

### DATA OF THE COMPANIES PARTICIPATING TO THE RESEARCH


<table>
<thead>
<tr>
<th>TOP ASSETS</th>
<th>200.000.000 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOTTOM ASSETS</td>
<td>1.000.000 €</td>
</tr>
<tr>
<td>AVERAGE ASSETS</td>
<td>16.900.900 €</td>
</tr>
<tr>
<td>OF 180 COMPANIES</td>
<td></td>
</tr>
<tr>
<td>TOP SALES</td>
<td>275.000.000 €</td>
</tr>
<tr>
<td>BOTTOM SALES</td>
<td>1.200.000 €</td>
</tr>
<tr>
<td>AVERAGE SALES OF</td>
<td></td>
</tr>
<tr>
<td>180 COMPANIES</td>
<td>12.200.000 €</td>
</tr>
<tr>
<td>TOP CAPITALS</td>
<td>124.478.000 €</td>
</tr>
<tr>
<td>BOTTOM CAPITALS</td>
<td>700.000 €</td>
</tr>
<tr>
<td>AVERAGE CAPITALS</td>
<td></td>
</tr>
<tr>
<td>OF 180 COMPANIES</td>
<td>7.186.000 €</td>
</tr>
<tr>
<td>TOP PROFIT</td>
<td>20.800.000 €</td>
</tr>
<tr>
<td>BOTTOM PROFIT</td>
<td>250.000 €</td>
</tr>
<tr>
<td>AVERAGE PROFIT OF</td>
<td></td>
</tr>
<tr>
<td>180 COMPANIES</td>
<td>500.000 €</td>
</tr>
<tr>
<td>MOST EMPLOYEES</td>
<td>1,110 people</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>LESS EMPLOYEES</td>
<td>15 people</td>
</tr>
<tr>
<td>AVERAGE EMPLOYEES OF 180 COMPANIES</td>
<td>98 people</td>
</tr>
</tbody>
</table>

Doing calculations using simple random sample affairs (at present research the method which is being used approaches to analogical sample of probability), the sample figures, as they are given, are lower than those which were used to the original research. The sample size of the 180 companies that is being used to the research is considered sufficient, detached and adequate to deduce valuable conclusions. The research is referring to the entirety of the respondents and not to a part of them. This is, because there were finally selected 180 companies out of the 750 which were the original population-goal (according to the order of the ICAP’s list), this is to say, the 24.0% (180/750 companies) of the population. This percentage is quite high, nearly ideal, fact that leads to accurate, detached and reliable results and conclusions.

4.3 PREPARATION OF DATA FOR ANALYSIS

As Stathakopoylos (2005), mentions, the research method that has been chosen (usage of questionnaires) requires answer elaboration. The codification, the analysis and the examination of the questionnaires leads to some important information and to a deduced conclusion. After the district definition of the researched and statistical assumptions, the level of statistical importance is chosen and then, the suitable statistical test takes part. Then, high statistical value is counted, which, afterwards, is compared with the statistical test’s results. Finally, the conclusion of the acceptance or not of the zero assumption (H₀), are being concluded. The acceptance or not of the zero assumption indicates the existence or not of a correlation or dependence among the tested variables. In case of lack of presuppositions, so as some exams could be effective, other alternative acceptable statistical technique tests, which have been made only for that reason, are being applied. As well as descriptive data analysis, as the use of study techniques of the correlation and dependence of the variables, consummate the documentation of the research’s conclusions and suggestions – suggestions that are capable of giving the solutions and the answers to all searching
questions. For all these reasons, the usage of statistical tools, techniques and methods of analyzing primary data, seems to be necessary.
5. PRIMARY RESEARCH DATA – DESCRIPTION, ANALYSIS AND IMPLICATIONS

This chapter has three major sections. The first section outlines in detail the findings of the research project. Each question of the questionnaire is presented separately according to the order in which the questions were placed in the questionnaire. The presented results in this section refer to the responses of private companies (134 out of 180 or 74.44% of the initial sample). There are five subsections, one for each subsection of the questionnaire which is described in detail in the previous chapter. The results for each question are presented by the corresponding graph. The second subsection contains a synopsis and discussion of the results that refer to the listed in the stock market of Athens companies of the sample, (46 out of 180 or 25.6% of the sample). The third and final subsection of the present chapter has an overall evaluation of the primary research findings and outlines the major findings of our research project (this subsection refers only to the non–listed in the stock market of Athens companies of the sample).

5.1 DESCRIPTION, GRAPHICAL DEPICTION AND DISCUSSION OF THE RESULTS

As already mentioned, the sample for our research consists of 180 processing companies located in North Greece. In what follows, each question’s results are presented in a graph. Questions C2, D7 and D9 are omitted because they were left unanswered by many respondents and consequently their corresponding results would not have any statistical or substantial merit.
5.1.1 PART A: ACCOUNTING DEPARTMENT AND HUMAN RESOURCES

**QUESTION A1:** Does your company have an Accounting Department (or Financial Department)?

Accounting Department

- Yes: 25%
- No: 75%

Financial Department

- Yes: 56%
- No: 44%

External Accountant

- Yes: 87%
- No: 13%

**QUESTION A2:** If you answered YES in the existence of Account Department or Financial department, does your Accounting Manager or Financial Manager has position in the Board of Directors or in a similar Board of Managers?

Accounting Manager

- Yes: 25%
- No: 75%

Financial Manager

- Yes: 22%
- No: 78%

**QUESTION A3:** Approximately, how many people are employed in your Accounting Department and Financial Department (please answer with a specific number).
5.1.2 PART B: ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

QUESTION B1: What kind of Accounting Standards do you use for the presentation of your Financial Statements?
**QUESTION B2:** What policy do you use for the implementation of International Accounting Standards?

[Graph showing percentage distribution of policy choices]

- 54.60%: As additional burden of the company
- 33.30%: As new obligation
- 2.10%: As means of more complete and qualified financial information supply
- 0.10%: As important tool for upgrading of the quality of the provided financial services
- 9.90%: As traditional approach

**QUESTION B3:** Please report whether the employees of each one of the departments of your company have knowledge about the regulations and rules of the International Financial Report Standards.

[Graph showing percentage distribution of knowledge by department]

- Financial Department: 41.18%
- Accounting Department: 42.24%
- Section of Production: 1.24%
- Section of Sales: 0.93%
- Section of Marketing: 0.75%
- Management Board: 13.66%

- Financial Department: 42.24%
- Accounting Department: 31.18%
**QUESTION B4:** How the counterparts of the departments (apart from the Financial and Accounting Department) deal with the adoption and the implementation of the International Accounting Standards?

![Bar Chart Image]

**QUESTION B5:** When compared with your present practices, do you prefer the International Accounting Standards for the preparation of your financial statements?

![Bar Chart Image]
**QUESTION B6:** Do you believe that your company should adopt the International Accounting Standards in 2006 despite the fact that the implementation is not compulsory for the non-listed companies?

![Pie chart showing percentages]

- 70.50%: Do not know
- 10.70%: Totally Disagree
- 10.20%: Disagree
- 5.90%: Neither agree, Neither disagree
- 1.40%: Agree
- 1.40%: Totally Agree

**QUESTION B7:** With the implementation of International Accounting Standards the financial statements will provide:

a) Less reliable and less transparent information.

b) The same information.

c) More reliable and more transparent information.

![Pie chart showing percentages]

- 79.10%: More reliable information
- 20.30%: They will not change anything
- 0.60%: Less reliable information
5.1.3 PART C: EXPECTATIONS AND THREATS FROM THE IMPLEMENTATION OF IASs

**QUESTION C1:** Which is the level of knowledge that you have as concern the IASs?

- Extremely familiar: 4.90%
- I have working knowledge: 34.50%
- Just familiar: 52.00%
- A little familiar: 6.40%
- Not at all: 2.10%

**QUESTION C3:** Do you think that the adoption of IAS will attract foreign capital for Greek companies?

- It will have no impact: 23.40%
- It might help: 6.60%
- Absolutely yes: 70.00%
**QUESTION C4:** Do you consider that will be easier the drawdown of capital (process of borrowing) from the financial institutions after the adoption of IASs??

![Pie chart showing responses]

**QUESTION C5:** Do you think that the adoption of IASs will affect the financial status and results of your company?

![Bar chart showing responses]
**QUESTION C6:** Do you agree that the implementation of IASs would affect the way that the shareholders and analysts would deal with the company's performance in the future?

- I strongly agree: 8.60%
- I agree: 78.00%
- Neither agree, nor disagree: 8.60%
- I disagree: 1.40%
- I strongly disagree: 0.20%
- I don't know: 3.30%

**QUESTION C7:** Do you believe that the implementation of IASs will help to the consecration of a common European capital market?

- I strongly agree: 8.80%
- I agree: 78.00%
- Neither agree, nor disagree: 5.30%
- I disagree: 0.40%
- I strongly disagree: 0.20%
- I don't know: 7.40%

**QUESTION C8:** Do you agree that a common European capital market could be effective in the modern financial Europe?

- I strongly agree: 9.90%
- I agree: 73.90%
- Neither agree, nor disagree: 6.80%
- I disagree: 1.20%
- I strongly disagree: 0.80%
- I don't know: 7.40%
**QUESTION C9:** Do you believe that the implementation of IASs will change the company's relations with the investors and the financial analysts?

- I strongly agree: 11.30%
- I agree: 74.30%
- I neither agree, nor disagree: 5.80%
- I disagree: 3.00%
- I strongly disagree: 0.50%
- I don't know: 4.90%

**QUESTION C10:** Do you agree with the following statement:

“The implementation of IASs will necessitate the intermediation of specialized financial analysts for a clear understanding of the true financial status of a company.”

- I strongly agree: 12.90%
- I agree: 73.10%
- I neither agree, nor disagree: 6.00%
- I disagree: 1.00%
- I strongly disagree: 0.90%
- I don't know: 5.50%
**QUESTION C11:** Do you agree that the adoption of IAS will be beneficial for our company?

- I strongly agree: 27.20%
- I agree: 60.60%
- I neither agree, nor disagree: 6.90%
- I disagree: 1.80%
- I strongly disagree: 0.20%
- I don't know: 3.30%

**QUESTION C12:** Has your company made any strong estimation about the preparation for the adoption of IASs?

- Yes: 90.80%
- No: 7.80%
- I don't know: 1.40%
**QUESTION C13:** What would you include in a preparation review and evaluation process?

- Changes in accounting and financial policies: 26.00%
- Changes in the preparation of Financial Statements: 22.20%
- Employee and management training needs: 50.60%
- Investors’ and stockholders’ reactions: 1.20%

**QUESTION C14:** What is your opinion about the size of the difference in profits and NPV of Assets after the implementation of IAS?

- None: 0.20%
- Very large difference: 1.20%
- Large difference: 30.30%
- Small difference: 39.20%
- Very small difference: 2.10%
- I don't know: 7.00%

**QUESTION C15:** Would you recommend the utilization of IASs for internal managerial information?

- In 2007: 22.80%
- In 2008: 54.20%
- In 2009: 14.20%
- I don't expect changes: 3.30%
- I don't know: 5.50%
5.1.4 PART D: DEGREE OF COMPANY’S READINESS

**QUESTION D1:** Has your company organized a plan for the implementation of IASs?

- We haven't started yet: 34.90%
- There is limited progress: 58.90%
- There is distinctive frame of action: 4.10%
- There is great progress: 2.10%

**QUESTION D2:** Mention who does manage the plan of studying and adoption of IASs

- The financial department has all responsibility: 5.70%
- We conduct exploratory discussions: 74.40%
- We have made decisions still to be applied: 2.00%
- The plan is currently executed: 2.10%
- There is no plan because the implementation of IASs is not compulsory: 9.80%
- We are in a preparation stage: 6.10%

**QUESTION D3:** Do you believe that the time-table for the materialization that had been scheduled by the Ministry of Economy and Finance for the listed companies was:

- a) Actable/Realistic
- b) Satisfactory
- c) Importunate
- d) Impossible
**QUESTION D4:** In your opinion, which is the advisable way for the minimization of problems that caused by the adoption of IASs?

![Pie Chart](chart1.png)

- Gradual implementation of IAS: 57.00%
- Have IAS in parallel with the current system: 36.00%
- Direct abandonment of the current system: 5.00%
- Direct implementation of IASs: 2.00%

**QUESTION D5:** In which point stands the informing of management for the consequences of the implementation of IASs?

![Pie Chart](chart2.png)

- Has not started yet: 57.00%
- It has been made a preliminary analysis: 2.50%
- An evaluation has presented to the board of directors: 2.50%
- The board of directors has made some decisions and announced them to the working party: 31.00%
- A working party is working on this: 7.00%
**QUESTION D6:** How do you judge the experience level of company's counterparts as concern the presentation of financial statements according to IASs?

![Pie chart showing distribution of experience levels](image)

- No experience: 9.40%
- Some theoretical knowledge: 6.00%
- Sufficient theoretical knowledge and experience: 83.20%
- Completely experienced: 1.40%

**QUESTION D8:** Do you think that there is a need for the employment of new trained personnel for the successful implementation of IAS?

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is no such need</td>
<td>11.50%</td>
</tr>
<tr>
<td>Only for a few people</td>
<td>57.10%</td>
</tr>
<tr>
<td>There is a strong need</td>
<td>15.80%</td>
</tr>
<tr>
<td>There is some need</td>
<td>1.00%</td>
</tr>
<tr>
<td>I am not in position to say</td>
<td>14.60%</td>
</tr>
</tbody>
</table>
**QUESTION D10:** Does your company’s personnel show interest in learning about and training on IASs?

- Very strong interest: 2.50%
- Strong interest: 52.60%
- Moderate interest: 36.60%
- Not at all: 2.90%
- Only for the future: 5.30%

**QUESTION D11:** The vivid interest for knowledge and training as concern the IASs where does it come from?

- Accounting and Financial Dpt: 96.20%
- Other Dpts: 1.60%
- Upper management: 0.60%
- All the above: 1.60%
5.1.5 PART E: INFORMATION ABOUT COMPANY

**QUESTION E1:** Please fill in the basic sector of industry in which your company is activated.

Most of the sectors occupy less than 1% of the sample companies. The largest participating sectors have a percentage around 2.5% and are: plastics, marbles, and food.

**QUESTION E2:** Is your company listed in the Athens Stock Market?

134 out of 180 primary and secondary industry companies of the sample are not listed in Athens Stock Market (91.7%).

**QUESTION E3:** Is your company part of a larger corporate group?

**QUESTION E4:** Please note the geographic target market of your company (multiple answers)
**QUESTION E5:** Please note the current company life cycle stage of your company?

![Pie chart showing company life cycle stages]

**QUESTION E6:** Please write the year of your company's establishment

Although the classification of the given answers on the certain question is very difficult, it is worthy of note that from the 134 non–listed companies respond only the 125 companies. The older company established at 1886, while the younger one at 2003. Correspondingly, from the 46 listed companies respond the 41 companies, and the older one established at 1782 while the younger one at 1998. Excepting the companies that did not answer, the average of the establishment year is 1980, entailing the average of companies’ life cycle at 25 years.
**QUESTION E7:** How many employees are working at your company? (Approximately)

**Full time employees**
- 1-25 employees: 8.00%
- 26-50 employees: 12.50%
- 51-75 employees: 10.90%
- 76-100 employees: 29.70%
- 101-150 employees: 16.40%
- 151-200 employees: 12.70%
- 201 and more employees: 9.80%

**Part time employees**
- 1-25 employees: 14.10%
- 26-50 employees: 57.80%
- 51-75 employees: 16.90%
- 101-150 employees: 4.20%
- 151-200 employees: 4.20%
- 201 and more employees: 2.80%
5.2 COMPREHENSIVE PRESENTATION AND DISCUSSION OF THE RESULTS THAT REFER TO THE LISTED IN THE STOCK MARKET OF ATHENS COMPANIES OF THE SAMPLE

The listed in the stock market of Athens companies that participated in this research are 46 out of 180 or 25.6% of the sample. It is very important to present in brief the findings of the research, as concern these companies, for which the implementation of IASs is compulsory since 2005. So, their financial statements for the economic year 2005 are represented according to IASs.

The 90% of the listed companies has Financial Department, while the 57% has an independent Accounting Department. 90% use a positive policy for the implementation of IASs considering that the new standards will conduce to an important tool for upgrading of the quality of the provided financial services and a means of more complete and qualified financial information supply. On the contrary 10% consider the implementation of IASs as an additional burden for the company, and do not take into account any advantage of this implementation. Furthermore, 92% of Financial Department counterparts have an excellent knowledge of the rules and policies that are defined by IASs, while the inverse relationship presents on the other departments of the company (only 8% approximately has the demanded knowledge of IASs). The percentage of knowledge of rules and policies that possess the members of Board of Directors is impressively high (1 out of 2 members of the Board of Directors state that have competence in IASs).

A huge difference is presented on the way that the counterparts of other departments (Production section, Sales, Marketing section), deal with IASs in relation with the non–listed companies of the sample. So, the counterparts (7 out of 10) support that they have an active role at the implementation of IASs since it is a process that concerns all the counterparts of the company and not only of the Financial and Accounting Department. Also, counterparts state their clear preference on the implementation of IASs (35 out of 46 companies), while 2 out of 10 companies believe that Greek Accounting Standards and International Accounting Standards, are both equally satisfactory. The preference on the implementation of Greek Accounting Standards is relatively low since it reaches about 4%.

Continuing, 9 out of 10 companies think that with the implantation of IASs more accurate and reliable information will be provided on their financial statements. On
the contrary 2 out of 46 companies believe that the implementation of IASs has no essential change, and 4.5% support that something like this provides less accurate and reliable information.

The significant 95% of the companies consider that the implementation of IASs has a positive action on their financial status, provides a common base of the evaluation of their potency on a worldwide level and helps to an easier drawdown of capital, while 5% think that this reveals the weaknesses of the companies. Nine out of ten companies support that the implementation of IASs attracts foreign capital for Greek companies, while the rest of these does not bring any change.

Seven out of ten companies believe that the implementation of IASs has a positive impact on their financial status and on their results, while 2 out of 10 companies are more reserved considering that it does not have any essential change on their financial status. On the other hand, 2% of companies state that it has a negative impact and the rest 4% is not in position to evaluate the changes that the implementation of IASs brought on the financial status and results of the companies.

The majority of companies agree that the implementation of IASs affects the way that the shareholders and analysts deal with the company's performance. 95% of companies evaluate that IASs will help to the consecration of a common European capital market. Almost every company of the sample supports that the implementation of IASs changes the company's relations with the investors and the financial analysts. In parallel, 96% agrees that the implementation of IASs necessitates the intermediation of specialized financial analysts for a clear understanding of the true financial status of a company. The time - table for the materialization that had been scheduled by the Ministry of Economy and Finance is considered satisfactory by 42% of companies, while by 51% it is considered importunate and by the rest 7% impossible.

Additionally, it is important to mention that despite the fact that the implementation of IASs is compulsory by the listed companies since 2005, only 1 out of 2 financial counterpart state that is completely experienced in order to achieve the presentation of company's financial statements according to IASs. 22% states that they have sufficient theoretical knowledge and experience, while 17% mention that they have only theoretical knowledge.(6% of counterpart that participated in the research states that they have no experience or theoretical knowledge at all). Furthermore, only one out of three companies believes that there is not a need for the employment of new
trained personnel for the successful implementation of IASs. On the contrary, 20% consider that there is strong need and 50% that there is need only for a few people. 95% of companies’ Financial Department counterparts have a vivid interest in knowledge and training as concern the IASs. The rest counterparts of other departments have no interest at all.

Finally, important information in relation to the listed companies is considered some statistical data that came up from the research. These are:

- 46% of listed companies that participated in the research are part of a larger Greek group, while 9% is part of foreign group and the rest 45% has independency financial action.
- 68% of companies have as main target the Local market, 70% the National market, 63% the European market and 42% makes exportation on a global level.
- 40% of companies are at developmental stage, 45% at maturity stage, 13% have a decreasing course, while 2% are at a recovery stage.
- 30% of companies were established before the 1970, 50% between the year – period 1971 – 1990, while 20% were established from 1991 until 1998 (the younger company of the sample).
- 2% of companies have 1 – 5 employees, 15% have 26 – 50 employees, 11% have 51 – 75 employees, 2% have 76 – 100 employees, 7% have 101 – 150 employees, 11% have 151 – 200 employees, while 52% of companies have 200 and more employees (24 out of 46 companies).

5.3 A SYNOPTIC EVALUATION OF PRIMARY SEARCHING DATA

The research carried out at the time period from January until March 2007, in a sample of 180 processing companies located in North Greece. From the total sample 134 companies are not listed in the stock market of Athens while the rest 46 are.

The majority of companies have a positive opinion about the implementation of IASs (8 out of 10 companies approximately), believe that the new standards will upgrade the quality of financial services and will be used as a means of providing more completed and qualitative financial information. One out of ten companies has neutral posture or considers the implementation of IASs as an additional burden for the
company. On the contrary, the counterparts of Financial and Accounting Departments deal with the implementation of new standards very positively, while the counterparts of other Departments (9 out of 10), believe that this subject does not concern them. 30% of the companies showed very clear their preference on the new standards, while 6 out of 10 companies supported that Greek Accounting Standards and International Accounting Standards are both satisfactory.

The main reason for the acceptance degree of the implementation of IASs is that 3 out of 4 companies believe that it will provide more accurate and reliable information to investors and all others interesting, despite the fact that the implementation is not compulsory for the non-listed companies.

One out of seven companies consider that the new standards will provide a common base of the evaluation of its potency on a worldwide level, while 1 out of 4 companies consider that the drawdown of capital (process of borrowing) from the financial institutions after the adoption of IASs will be easier. Generally, there is optimism that the implementation of IASs will affect the financial status and results of companies, since one out of four companies think that there will be a positive impact. Also it is very important that only 1 out of 100 companies think that there will be a negative impact on its financial status, while most of the companies (9 out of 10) support that this will affect the way that the shareholders and analysts would deal with the company's performance in the future. Additionally, they consider that it will change the company's relations with the investors and the financial analysts as concern the evaluation of the company. It is an established fact that in order to identify and understand the real financial data of companies, at least as at first stage of the implementation of IASs, the intermediation of specialized financial analysts is considered necessary for a clear understanding of the true financial status of a company. Furthermore, despite the fact that the majority of companies agree with the implementation of new standards, only 8 out of 100 companies have organized a plan making an evaluation of the procedures that will be needed. At this stage the most important factor is that one out of two companies believes that they should train their personnel of Financial and Accounting Departments, so as the Board of Directors.

At initiatory stage is the planning of studying and adoption of IASs and most of the companies has not started yet the organization of a plan. Negative opinion has the 40% of companies relative to the time - table for the materialization that had been scheduled by the Ministry of Economy and Finance for the listed companies,
characterizing it importunate and impossible. The uncertainty and insecurity that there is as concern the implementation of IASs, leads the majority of companies to prefer the Greek Accounting Standards and gradually to begin the implementation of the new ones, while one out of four prefers the parallel implementation of both Accounting Standards. On the other hand, the information of management for the consequences of the implementation of IASs is on a preliminary analysis, while 1 out of 3 companies have not yet started any kind of information.

Eight out of ten counterparts of companies have only theoretical knowledge on the implementation of IASs, while about 2 out of 100 companies have counterparts that are completely experienced in this topic. Most of the companies believe that in order for the maximum degree of adaptation to be achieved from counterparts as concern the implementation of IASs is required better training and theoretical approach, while 1 out of 7 companies considers that the help of ad hoc consultants for the implementation is necessary. One out of two companies thinks that the employment of company with few people, which have experience, is essential. The way in which the implementation of IASs will be made so far has not concern seriously 6 out of 10 companies since they have not made any relative decision. Impressive is the percentage of counterparts that are interesting in the information and training on the new standards. Almost all the counterparts of Financial and Accounting Departments (96%) have a vivid interest in knowledge on the implementation of IASs, while the same interesting is showed 1 out of 100 counterparts of other departments.
6. TEST OF EXPLORATORY HYPOTHESES IN QUALITATIVE VARIABLES OF ORDER AND VARIABLES OF CLASS – ORDER

6.1 TEST OF EXPLORATORY HYPOTHESES IN QUALITATIVE VARIABLES OF ORDER

According to Siomkos and Basilikopoyloy (2005), the correlation factors are used to measure the intense of the relationships between two variables, while they vary depending on the intense of the relationships between the variables that are studied. The non parametric methods are appropriate for data which come up from popularities, for which regularity cannot be assumed. Even if the reliability of the non parametric methods is less than the value of the parametric methods, the former can be used in regular and in non regular populations.

The final choice of a non parametric test is encouraged under circumstances where the population does not clearly follow the regular allocation or “outliers” (very high or very low rates in relation to the average). If in large samples non parametric tests are used, then this choice does not affect the reliability of the results, as in our case, in which the sample reaches the 180 companies. However, the non parametric tests are considered more “elastic” and less powerful in relation to the parametric tests. In the cases that appear one side test is made for positive correlation. Thus, the zero and alternative assumption can be set out as follows:

$H_0 = \text{the variables } X \text{ and } Y \text{ are independent, so } r_s = 0$

$H_a = \text{the higher rates of variables } X \text{ and } Y \text{ are tend to be classified together, so } r_s > 0.$

Before continuing to the tests of searching assumptions, is crucial to put forward the table that concerns the width of correlation factor and the kind of relation between the variables.

<table>
<thead>
<tr>
<th>Width of correlation factor</th>
<th>Kind of relation between variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>From − 1,0 to − 0,7</td>
<td>Strong negative correlation</td>
</tr>
<tr>
<td>From − 0,7 to − 0,3</td>
<td>Weak negative correlation</td>
</tr>
<tr>
<td>From − 0,3 to + 0,3</td>
<td>Minimum negative or positive correlation</td>
</tr>
<tr>
<td>From + 0,3 to + 0,7</td>
<td>Weak positive correlation</td>
</tr>
<tr>
<td>From + 0,7 to + 1,0</td>
<td>Strong positive correlation</td>
</tr>
</tbody>
</table>
Case 1

It is studied the correlation of the number of the staff (full time and part time employees) that the company occupies (Question E7, order variables V67 and V68), with the implementation of IASs since 2007, even though it is not compulsory (Question B6, order variable V20).

The following hypothesis is set out:

H₁ = the number of the company staff is positively correlated with the implementation of IASs since 2007, even though it is not compulsory for the non–listed companies.

According to the results of the statistical examination the variable V67 (number of full time employees – quantitative variable) is correlated negatively with the variable V20 (implementation of IASs since 2007, even though it is not compulsory for the non–listed companies). The correlation factor of Spearman is $r_s = -0.08$ (low negative correlation) and the significance level is $p=0.7 > 0.01$.

So the assumption $H_1$ is rejected

6.1.1 CORRELATION OF QUALITATIVE VARIABLES CLASS – ORDER

For the named variables and the order variables and in general for classified variables, the usual tests as the t–test, the dispersion analysis, which are known as parametric tests, are not appropriate. For parametric tests the variables should be not only continuous but usually they should follow the correct allocation. As Zafeiropoulos (2004), support, instead of the classified variables it can be used the non parametric tests. It is not necessary to use the assumption of the regularity of the variables for the non parametric tests. The non parametric tests are not influenced by the type of the variable’s allocation (distribution free test) and are used in large and in small samples successfully. In relation to the parametric tests, they appear less power (power efficiency) and they are more conservative. But when we cannot assume the existence of the regular allocation in the data, the dispersion’s homogeneity or when the variables, are visible, named or order then the non parametric tests are the appropriate ones.

The target of an independent test chi−square is to define if the real rates for the cells significantly learned from the equivalent expected rates. The statistical measurements
for chi – square can be estimated if we add the deviation’s squares \( \{ \text{real rate (fo)} \) minus the expected rate (fe) \} divided by the expected rate.

\[
x^2 = \sum \{ (fo - fe)^2 / fe \}
\]

Furthermore, as M. Psiloytsikoy (2004), states, if there is some disagreement between the real and the expected rates, the measure of \( x^2 \) will be high, showing significant difference between the real and the expected rates. With this measure we can estimate a likelihood rate. When \( p<0.05 \) it is widely accepted that the rates that came up and both of the variables are not independent.

Another matter is about the one chi – square’s measure that is usually considered correlation’s test (the opposite of the independence) between the variables. This invalid hypothesis can create difficulties because one chi – square’s rate significantly depends on the number of the variance and the size of the sample, so the comparisons of one chi – square rate with another are usually misleading. In order to control this difficulty, it is suggested the measure \( (\varphi) \), which separates the chi – square rate with the number of the sample \( (N) \) and then takes the positive square root of the result. The target was to standardize one relation’s measure with rates between 0 and 1 (0 means independent variables and with a rate close to 1 means a strong relation between the variables). However, if one of the cross – tabulation rate is higher than 2, the \( \varphi \) can have rates higher than 1.0. For the control of this, Crame’s factor \( V \) is used (the positive square root of \( x^2 / \{N(k-1)\} \), where \( k \) is lower than the number of the columns and the lines). This measure vary between 0 and 1.0 and it is widely used for the power of the relation between variables in an analysis chi – square. In case we use statistical test \( x^2 \) the minimum expected frequency is less than 5.0 the test’s effectiveness is doubtful. In this case we can use the exact Fisher’s test, which is suitable for association’s table 2x2. According to Tsantas et al (1999), in association tables of larger variances, when the two variables are order ones (order – class), the measure of magnitude relation is used for the two variables, the Cramer’s factor \( V \), which is:

\[
V=\sqrt{x^2 / n*\min(r-1,c-1)}
\]

The above factor takes rates between 0 (independent variables) and 1 (absolute relevance).

The same authors mention that, as a result, the test of the relationship between the two class variables, class – order and order – class, fall under the second category and it achieved with the \( x^2 \) independency test. With this test, the independency hypothesis
of the two variables is examined, computing the non parametric distance $X^2$ of the
association table from the theoretical.

The prerequisites of the implementation $x^2$ test are:

1. All of the expected frequencies should be $>1$
2. Most of them (80%) should be $>5$, so no more than 20% of the association
table should have expected frequencies less than this rate. Because of the non
observance of the limitations $x^2$ tests, it is used the Cramer’s factor $V$.

On the present research the analysis of the results of Cramer’s factor $V$ will be made
according to the bellow table:

<table>
<thead>
<tr>
<th>Rate of Cramer’s factor $V$</th>
<th>Magnitude of correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 - 0,19$</td>
<td>Weak</td>
</tr>
<tr>
<td>$0,2 - 0,3$</td>
<td>Semi</td>
</tr>
<tr>
<td>$0,3 - 0,4$</td>
<td>Semi to high</td>
</tr>
<tr>
<td>$0,4 - 0,5$</td>
<td>High</td>
</tr>
<tr>
<td>Higher than $0,5$</td>
<td>Very high</td>
</tr>
</tbody>
</table>

As Zafeiropoylos (2004), mentions, it is tested the zero hypothesis that the two
variables are statistically independent, against the alternative that the variables are
dependent. It is computing the statistical $x^2$ that follows the allocation $X^2$ with
freedom rates $(R-1) (C-1)$, where $R$ = the number of lines in the association table and
$C$ = the number of columns. It is followed by the corresponding significance level,
which means the likelihood to be wrong when we reject the zero hypothesis. Usually
we reject the zero hypothesis and accept that the two variables are statistically
dependent when the corresponding significance level is lower that 0,05.

Since the differences between the following and the expected frequencies are small
(statistically insignificant), the zero hypothesis, which considers that the two variables
are independent, is accepted. In case of rejection of the zero hypotheses, the
alternative hypothesis is accepted, according to which the two variables are dependent
(the rates’ frequencies of one variable affect rates’ frequencies of the other variable).
Furthermore, Siomkos and Basilikopoyloy (2005), support, in order to make a
conclusion as concern the rejection or the acceptance of the zero hypotheses the
bellow steps are followed:
1st step: Statement of the research hypothesis
2nd step: Definition of the significance level
3rd step: Estimation of statistical tests
4th step: Computation of the critical statistical value
5th step: Comparison between statistical tests and critical statistical value
6th step: Make conclusions

The SPSS statistical software computes all the numbers which are necessary for the successful completion of all the above steps. The unique difference between the solution that the researcher has to estimate on his own and the solution that comes from the SPSS software, which is used in the present research, is the automatic computing of the p-value. The general rule for the acceptance or not of the zero hypotheses when p-value is used is:
If p>0,05 the zero hypothesis on the statistical level of significance a = 0,05 is accepted.
If p<0,05 then the zero hypothesis on the statistical level of significance a = 0,05 is rejected (or even lower, 0,005 or 0,001).

Zafeiropoulos (2004), refers that the searching assumptions should not be confused with the working assumptions, which concern the acknowledgment that are made in order to create a stable report point. This report point on which the research will be based on and will have results that are connected and will not be independent from the working assumptions. The working assumptions should not be confused with the statistical assumptions which are mathematical suggestions that are used in the statistical tests hypothesis (H₀: zero hypothesis, H₁ = alternative hypothesis).

The assumptions become exact, brief suggestions and in many cases could be the same and equivalent to the statistical hypothesis, which accompany the hypothesis tests on the H₀ and the alternative hypothesis. In contrast with the statistical hypothesis, the assumptions should be set out with a positive direction and not as the zero hypothesis which sets out the equality phenomenon, of none statistically important difference. Also, the hypotheses are written on present, are not strictly and mathematically set out and can be answered many times after extensive and combined analysis, not only with the use of one statistical test. So, they can be analyzed in many statistical hypotheses, which are followed by the same tests something that happens in the present researching procedure. Also, the results that can be set out can be more frequent and complicated from the simplest result of the acceptance or rejection of a
statistical hypothesis. However, more than one statistical hypothesis with the same searching hypothesis can be coincided.

6.2 TESTS OF EXPLORATORY HYPOTHESES IN QUALITATIVE VARIABLES OF CLASS – ORDER

In case that the test starts with $x^2$ the zero and the alternative hypotheses are set out like this:

$H_0 =$ the variables X and Y are independent
$H_a =$ the variables X and Y are dependent or correlated

Case 2$^\text{nd}$

It is examined the correlation of the advisable way for the minimization of problems that caused by the adoption of IASs (Question D4, class variable V41) and the organization of a plan as concern the implementation of IASs (Question D1, class variable V38).

The following hypothesis is set out:

$H_2 =$ the advisable way for the minimization of problems that caused by the adoption of IASs and the organization of a plan as concern their implementation are dependent variables.

The searching hypothesis $H_2$ could be set out differently in the zero and the alternative hypotheses:

$H_0 =$ the variables of the advisable way for the minimization of problems that caused by the adoption of IASs (variable X) and the organization of a plan as concern their implementation (variable Y) are independent variables.

$H_a =$ the variables of the advisable way for the minimization of problems that caused by the adoption of IASs (variable X) and the organization of a plan as concern their implementation (variable Y) are correlated or dependent variables.

According to the test results, the $x^2$ takes the rate of 56,507. The 37,5% of the association table’s cells has expected frequencies less than 5,0 but the minimum frequency is 0,24. Because of the non observance of limitation test $x^2$ the Cramer’s factor V is used, which takes the rate of 0,192 (weak correlation), while the rate of significance level is $p=0,000< a=0,05$. It is considered that there is a semi dependence
of the advisable way for the minimization of problems that caused by the adoption of IASs and the organization of a plan as concern their implementation.

So, hypothesis $H_2$ is accepted.

Discussing the results of the cross tabulation of the variables V41 and V38 it can be mentioned that the 57% of the non listed companies’ counterparts choose as advisable way for the minimization of problems that caused by the adoption of IASs, the gradual implementation (76 out of 134 counterparts). The 23% of counterparts (31 out of 512) that prefer the gradual implementation, estimate that the company as concern the organization of a plan for their implementation have not started yet. The 31,6% of those counterparts consider that there is a limited progress, 1,4% that there is distinctive frame of action, while just 1% that there is great progress. The 59% of counterparts believe that in the matter of the organization of a plan for the implementation of IASs there is limited progress (79 out of 134 counterparts) while the 31,6% of these counterparts consider as advisable way for the minimization of problems that caused by the adoption of IASs the gradual implementation. From the counterparts that believe that in the matter of the organization of a plan for the implementation of IASs there is limited progress, the 23,8% support that the advisable way for the minimization of problems that caused by the adoption of IASs is the parallel implementation with the Greek standards. The 2,7% of these counterparts think that best way is the direct abolition of the Greek standards and the 0,8% support the direct implementation of IASs.

Case 3rd

It is studied the correlation of experience level of company's counterparts as concern the presentation of financial statements according to IASs (Question D6, class variable V47) and whether there is a need for the employment of new trained personnel for their successful implementation (Question D8, class variable V49).

The following hypothesis is set out:

$H_3 =$ the experience level of company's counterparts as concern the presentation of financial statements according to IASs and whether there is a need for the employment of new trained personnel for their successful implementation.

Alternative the searching hypothesis $H_3$ can be set out like this:

$H_0 =$ the variables of the experience level of company's counterparts as concern the presentation of financial statements according to IASs and whether there is a need for
the employment of new trained personnel for their successful implementation are independent.

\( H_3 \) = the variables of the experience level of company's counterparts as concern the presentation of financial statements according to IASs and whether there is a need for the employment of new trained personnel for their successful implementation are correlated or dependent.

In the procedure of the particular test, the limitations of the test \( x^2 \) are not following, because 55% of the association table’s cells has expected frequencies less than 5.0 (the minimum expected frequency is 0.07). So it is used the Cramer’s factor \( V \), which takes the rate of 0.240 (semi correlation) at significance level \( p=0.000 \ <a=0.05. Consequently, the two above variables (V47 and V49) are dependent.

**So, hypothesis \( H_3 \) is accepted.**

Discussing the results of the cross tabulation of the variables V47 and V49 it can be observed that the 83.2% of the non listed companies’ counterparts (111 out of 134) think that level of experience of company's counterparts as concern the presentation of financial statements according to IASs is based only on theoretical knowledge. The 52.2% of counterparts (those that think that level of experience of company's counterparts as concern the presentation of financial statements according to IASs is based only on theoretical knowledge) believe that there is the necessity for few people for the employment of the Financial and Accounting Department, the 5.7% of those estimate that there is not such need. The 12.7% considers that there is the necessity for the employment of well trained employees, the 11.9% of those, are not in position to estimate if there is such need, while 0.8% of those, estimate that there is not such need.

The 57% of counterparts, (76 out of 134), believe that there will be the necessity for a few people for the employment of the company. The 2.7% think that the counterparts, mainly from Financial Department, have no experience or knowledge of IASs, while the 52.7% have only theoretical knowledge. The 1.8% have sufficient theoretical knowledge and experience and the 0.4% are capable to deal with any problems that can appear during the implementation of IASs.

**Case 4th**

In question E3 it has been studied if the companies that participated in the research are a part of a larger Greek (class variable V59) or of a foreign group (class variable
V60). The question B1 (class variable V10) is referred to the kind of accounting standards that are used in the presentation of companies’ financial statements. Consequently, it is tested the correlation of the incorporation of the company in a larger Greek or foreign group so as and the kind of the accounting standards that are used in the presentation of its financial statements.

**The following hypothesis is set out:**

H₄ = the incorporation of the company in a larger Greek or foreign group so as and the kind of the accounting standards that are used in the presentation of its financial statements are dependent variables.

Alternative the searching hypothesis H₄ can be set out like this:

H₀ = the variables of the incorporation of the company in a larger Greek or foreign group so as and the kind of the accounting standards that are used in the presentation of its financial statements are independent.

Hₐ = the variables of the incorporation of the company in a larger Greek or foreign group so as and the kind of the accounting standards that are used in the presentation of its financial statements are correlated or dependent.

According to the results of this test, the bellow data are recorded:

The 50% of the association table’s cells has expected frequencies less than 5,0. According to this percentage, the Cramer’s factor V is used, instead of the Pearson’s chi – square factor.

The rates of the Cramer’s factor V for the correlation of the incorporation of the company in a larger Greek (variable V59) and the kind of the accounting standards that are used in the presentation of its financial statements (variable V10) are 0,248 (semi correlation) and p=0,000 < a=0,05, fact that shows the existence of dependency of two variables. The rates of the Cramer’s factor V for the correlation of the incorporation of the company in a larger foreign (variable V60) and the kind of the accounting standards that are used in the presentation of its financial statements (variable V10) are 0,435 (relative strong correlation) and p=0,000 < a=0,05, fact that shows the existence of dependency of two variables (more intense in relation to the former test between the variables V59 – V10).

**So, hypothesis H₄ is accepted.**
6.3 SETTING OUT AND TESTING OF THE STATISTICAL ASSUMPTIONS IN QUALITATIVE VARIABLES

6.3.1 SETTING OUT AND TESTING OF THE STATISTICAL ASSUMPTIONS IN QUALITATIVE ORDER VARIABLES

Case 5th
It is searching the correlation of the need of intermediation of specialized financial analysts for a clear understanding of the true financial status of a company (Question C10, order variable V31) and the way that the implementation of IASs would affect the way that the shareholders and analysts would dealt with the company's performance in the future (question C6, order variable V27).

The following hypothesis is set out:

\[ H_5 = \text{the need of intermediation of specialized financial analysts for a clear understanding of the true financial status of a company is positively related to the way that the implementation of IASs would affect the way that the shareholders and analysts would dealt with the company's performance in the future.} \]

According to the test results, the positive correlation (of medial point) of the examined variables (V31-V27) is entered up. The Spearman’s factor of the correlation for these two variables is 0.381, (low, but distinguished correlation factor) in a level of significance lower of the price a=0,01.

Consequently the hypothesis \( H_5 \) is accepted.

Case 6th
It is searching the correlation of the size of the difference in profits and NPV of Assets after the implementation of IASs (Question C14, order variable V36) and the way that the implementation of IASs would affect the way that the shareholders and analysts would dealt with the company's performance in the future (question C6, order variable V27), the change on company's relations with the investors and the financial analysts (Question C9, order variable V30) and the need of intermediation of specialized financial analysts for a clear understanding of the true financial status of a company (Question C10, order variable V31).

The following hypothesis is set out:
H₆ = the size of the difference in profits and NPV of Assets after the implementation of IASs is positively related to the way that the shareholders and analysts would dealt with the company's performance in the future, the change on company's relations with the investors and the financial analysts and the need of intermediation of specialized financial analysts.

According to the test results, the positive correlation (of low magnitude) of the size of the difference in profits and NPV of Assets after the implementation of IASs and the way that the shareholders and analysts would dealt with the company's performance in the future is entered up. The Spearman’s factor rs take the price 0.218 (low level of correlation) in a level of significance lower than 1%.

In the rest variable pairs, whose correlation is under research, to the bellow table that is followed the positive correlation in a significant level lower of the price a=0.01 is entered up.

<table>
<thead>
<tr>
<th>Correlation of Variables</th>
<th>Factor rs</th>
<th>Intense of correlation</th>
<th>Level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>V36-V30</td>
<td>0.259</td>
<td>low</td>
<td>&lt;a = 0.01</td>
</tr>
<tr>
<td>V36-V31</td>
<td>0.196</td>
<td>small</td>
<td>&lt;a = 0.01</td>
</tr>
<tr>
<td>V27-V30</td>
<td>0.540</td>
<td>medium</td>
<td>&lt;a = 0.01</td>
</tr>
<tr>
<td>V30-V31</td>
<td>0.678</td>
<td>medium</td>
<td>&lt;a = 0.01</td>
</tr>
</tbody>
</table>

All the correlations of the precedent table are founded statistically significant, in other words the level of significance is smaller than of a = 0.01.

**Consequently the statistical hypothesis H₆ is accepted.**

**Case 7th**

It is searching the correlation of the consecration of a common European capital market with the implementation of IASs (Question C7, order variable V28) and the way that the shareholders and analysts would dealt with the company's performance in the future (question C6, order variable V27).

**The following hypothesis is set out:**

H₇ = the consecration of a common European capital market with the implementation of IASs is positively related to the way that the shareholders and analysts would dealt with the company's performance in the future.
According to the test results, the positive correlation in the testing of the relation of the two variables (V28 – V27) is entered up. The factor of the correlation of Spearman rs is 0.561 (of medium but distinguished intense) in a level of significance smaller than the price $a = 0.01$.

Consequently the statistical hypothesis $H_7$ is accepted.

6.3.2 SETTING OUT AND TESTING OF THE STATISTICAL ASSUMPTIONS IN QUALITATIVE CLASS - ORDER VARIABLES

Case 8th
It is searching the correlation of the level of knowledge that you have as concern the IASs (Question C1, order variable V22) and the policy that is used for the implementation of International Accounting Standards (Question B2, order variable V11).

The following hypothesis is set out:
$H_8 =$ the level of knowledge that you have as concern the IASs and the policy that is used for their implementation are dependent variables.

According to the test results, the $\chi^2$ is 81.671 and the 40% of the cell of the association table has expected frequencies lower than 5.0. However, as we know, more of the 20% of the cells of the association table must not have prices lower than this price. Because of non keeping of the limitations of the test $\chi^2$, the factor $V$ of Cramer, that takes the price 0,230 (of medium magnitude correlation) in a significance level of $p = 0,000 < a = 0,05$, is used. In our analysis the significance level of the 5% will be used, though, because of the quality nature of the facts the level $a = 0,1$ (10%) can be taken. A weak correlation of knowledge level of the IASs and the policy that is used for their implementation is observed.

Consequently the statistical hypothesis $H_8$ is accepted.

Case 9th
It is searching the correlation of the experience level of company's counterparts as concern the presentation of financial statements according to IASs (Question D6, order variable V47) and the company’s personnel interest in learning about and training on IASs (Question D10, order variable V55).

The following hypothesis is set out:
H₀ = the experience level of company's counterparts as concern the presentation of financial statements according to IASs and the company's personnel interest in learning about and training on IASs are dependent variables.

The test with the price Pearson Chi-square ($x^2$) gives price 114,425. As the conditions of the test $x^2$ are not fulfilled (the 55% of the cells of the association table has expected frequencies smaller than 5,0, while the minimum expected frequency is 0,18), the factor V of Cramer is used again, which takes the price 0,273 (of medium magnitude correlation), in a level of significance $p = 0,00 < a = 0,55$.

The conclusion which results from the statistical test is the existence of dependent variables that were controlled (experience level of company's counterparts as concern the presentation of financial statements according to IASs and the company’s personnel interest in learning about and training on IASs).

Consequently the hypothesis $H₀$ is accepted.

Case 10th

It is searching the correlation of the kind of Accounting Standards that are used in the presentation of Financial Statements (Question B1, order variable V10) and the policy that is used for the implementation of International Accounting Standards (Question B2, order variable V11).

The following hypothesis is set out:

$H_{10}$ = the kind of Accounting Standards that are used in the presentation of Financial Statements and the policy that is used for the implementation of International Accounting Standards are dependent variables.

According to the test results, the $x^2$ is 18,3. The 56,3% of the cells of the association table has expected frequencies smaller than 5,0. So, because of the non keeping of the limitations of the test $x^2$, the factor V of Cramer is used, which takes the price 0,109 in the level of significance $p = 0,032 < a = 0,05$. So, a weak dependence of the kind of Accounting Standards that are used in the presentation of the financial statements and the policy that is used for the implementation of International Accounting Standards is observed.

Consequently the hypothesis $H_{10}$ is accepted.
**Case 11**

It is searching the correlation of the kind of Accounting Standards that are used in the presentation of Financial Statements (Question B1, order variable V10) and the quality of information that will provide the financial statements implementing the IASs (Question B7, order variable V21).

**The following hypothesis is set out:**

\[ H_{11} = \text{the kind of Accounting Standards that are used in the presentation of Financial Statements and the quality of information that will provide the financial statements implementing the IASs are dependent variables.} \]

According to the test results, the 66.7% of the cells of the association table has expected frequencies smaller than 0.5. As the limitations of the test \( x^2 \) are not kept, the factor V of Cramer is used, whose price is 0,175, in a level of significance \( p = 0,015 < a = 0,05 \). So, a weak dependence of the two variables (V of Cramer = 0,175) is observed.

**Consequently the statistical hypothesis** \( H_{11} \) **is accepted.**

---

**Case 12**

It is searching the correlation of the kind of Accounting Standards that are used in the presentation of Financial Statements (Question B1, order variable V10) and the company’s level of preference of IASs for the presentation of the financial statements in relation to the Greek Accounting Standards (Question B5, order variable V19).

**The following hypothesis is set out:**

\[ H_{12} = \text{the kind of Accounting Standards that are used in the presentation of Financial Statements and the company’s level of preference of IASs for the presentation of the financial statements in relation to the Greek Accounting Standards are dependent variables.} \]

According to the test results of \( x^2 \), the price of Pearson Chi-square takes the price 16,531. However, the 62.5% of the cells of the association table has expected frequencies smaller than 5.0. Consequently, the factor V of Cramer is applied, which takes the price 0,180, in a significant level of \( p=0,057 > a = 0,05 \).

**Consequently the hypothesis** \( H_{12} \) **is rejected.**

---

**Case 13**
It is searching the correlation of the changes that the implementation of IASs will bring on (Question C2, order variable V23) and the policy that is used for the implementation of International Accounting Standards (Question B2, order variable V11).

The following hypothesis is set out:

$H_{13} =$ the changes that the implementation of IASs will bring on and the policy that is used for their implementation are dependent variables.

The $35\%$ of the cells of the association table has expected frequencies smaller than 5.0. Because of the non keeping of the limitations of the test $x^2$, the factor V of Cramer is estimated, which takes the price 0.269 in a level of significance smaller than the 1%.

Consequently the statistical hypothesis $H_{13}$ is accepted.

Case 14th

It is searching the correlation of the changes that the implementation of IASs will bring on (Question C2, order variable V23) and the ability of IASs to attract foreign capital for Greek companies (Question C3, order variable V24).

The following hypothesis is set out:

$H_{14} =$ the changes that the implementation of IASs will bring on and their ability to attract foreign capital for Greek companies are dependent variables.

According to the test results, the price of the $x^2$ is 124,914. As the $33.3\%$ of the cells of the association table has expected frequencies smaller than 5.0 and consequently the limitations of the test $x^2$ are not kept, the factor V of Cramer which takes the price 0.349 is applied in a level of significance smaller of the 5%.

Consequently the statistical hypothesis $H_{14}$ is accepted.

Case 15th

It is searching the correlation of the changes that the implementation of IASs will bring on (Question C2, order variable V23) and the ability of easier drawdown of capital (Question C4, order variable V25).

The following hypothesis is set out:

$H_{15} =$ the changes that the implementation of IASs will bring on and their ability to drawdown easier capital are dependent variables.
As the 26.7% of the cells of the association table has expected frequencies smaller of the 5.0, the technique of the calculation of the factor V of Cramer is applied, which takes the price 0,164 in a level of significance p = 0,001 < a = 0,05.

Consequently the statistical hypothesis H₁₅ is accepted.

Case 16th
It is searching the correlation of the changes that the implementation of IASs will bring on (Question C2, order variable V23) and the affects that the company will have on its financial status and results from their implementation (Question C5, order variable V26).

The following hypothesis is set out:

H₁₆ = the changes that the implementation of IASs will bring on and the affects that the company will have on its financial status and results from their implementation are dependent variables.

According to the test results, the factor x² takes the price 143,530. But as the 48% of the cells of the association table has expected frequencies smaller of the 5.0, the factor V of Cramer is calculated, which is equal to 0,264, in a level of significance p = 0,00 < a = 0,05.

Consequently the statistical hypothesis H₁₆ is accepted.

Case 17th
It is searching the correlation of the changes that the implementation of IASs will bring on (Question C2, order variable V23) and the way that the implementation of IASs would affect the way that the shareholders and analysts would deal with the company's performance in the future (question C6, order variable V27).

The following hypothesis is set out:

H₁₇ = the changes that the implementation of IASs will bring on and the way that the implementation of IASs would affect the way that the shareholders and analysts would deal with the company's performance in the future are dependent variables.

According to the results of the test x², the price of Pearson Chi-square is 140,714. The 70% of the cells of the association table has expected frequencies smaller of 5.0. Consequently, the test becomes with the calculation of the factor V of Cramer, which takes the price 0,262, in a level of significance p = 0,00 < a = 0,55.

Consequently the statistical hypothesis H₁₇ is accepted.
**Case 18th**

It is searching the correlation of the size of the difference in profits and NPV of Assets after the implementation of IASs (Question C14, order variable V36) and the ability of easier drawdown of capital (Question C4, order variable V25).

**The following hypothesis is set out:**

$H_{18} =$ the size of the difference in profits and NPV of Assets after the implementation of IASs and the ability of easier drawdown of capital are dependent variables.

As the limitations of the test $x^2$ are not kept the 56% of the cells of the association table has expected frequencies smaller of 5.0. Consequently, the factor V of Cramer is applied, which takes price 0.310 in a level of significance $p = 0.00 < a = 0.05$.

**Consequently the statistical hypothesis $H_{18}$ is accepted.**

**Case 19th**

It is searching the correlation of the company’s incorporation in a larger Greek group (Question E3, order variable V59) or foreign group (Question E3, order variable V60) and the level of knowledge that you have as concern the IASs (Question C1, order variable V22).

**The following hypothesis is set out:**

$H_{19} =$ the company’s incorporation in a larger Greek or foreign group and the level of knowledge that you have as concern the IASs are dependent variables.

The results of the test are presented in the bellow table:

<table>
<thead>
<tr>
<th>Dependence of Variables</th>
<th>X2</th>
<th>Percentage of Cells With Expected Frequencies Smaller of 5,0</th>
<th>Factor V of Cramer</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>V59-V22</td>
<td>28,888</td>
<td>30%</td>
<td>0.238</td>
<td>$&lt; a = 0.05$</td>
</tr>
<tr>
<td>V60-V22</td>
<td>23,561</td>
<td>30%</td>
<td>0.215</td>
<td>$&lt; a = 0.05$</td>
</tr>
</tbody>
</table>

In both cases the level of significance $p = 0.00$ is smaller of the price $a = 0.05$

**Consequently the statistical hypothesis $H_{19}$ is accepted.**

**Case 20th**

It is searching the correlation of the company’s incorporation in a larger Greek group (Question E3, order variable V59) or foreign group (Question E3, order variable V60)
and the organization of a plan as concern the implementation of IASs (Question D1, class variable V38).

The following hypothesis is set out:

\( H_{20} = \) the company's incorporation in a larger Greek or foreign group and the organization of a plan as concern the implementation of IASs are dependent variables.

The results of the test are presented to the following table (question D1, order variable V38).

<table>
<thead>
<tr>
<th>Dependence of Variables</th>
<th>( x^2 )</th>
<th>Percentage of Cells With Expected Frequencies Smaller Of 5,0</th>
<th>Factor V Of Cramer</th>
<th>Level of Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>V59-V38</td>
<td>40,062</td>
<td>25%</td>
<td>0,300</td>
<td>(&lt; a = 0,05 )</td>
</tr>
<tr>
<td>V60-V38</td>
<td>21,801</td>
<td>25%</td>
<td>0,206</td>
<td>(&lt; a = 0,05 )</td>
</tr>
</tbody>
</table>

In both cases the level of significance is \( p = 0,00 < a = 0,05 \).

Consequently the statistical hypothesis \( H_{20} \) is accepted.
6.4 CONCLUSIONS OF THE CHAPTER

The main correlations, which resulted from the tests of the researching and the statistic hypothesis sum up.

The organization of a plan as concern the implementation of IASs is related to the advisable way for the minimization of problems that caused by their implementation. The experience level of company's counterparts as concern the presentation of financial statements according to IASs is related to the company’s personnel interest in learning about and training on IASs and the need of employment with new and skilled staff for the successful implementation of IASs.

The incorporation of a company in a larger Greek or Foreign group affects significantly the kind of the accounting standards, which are used in the presentation of the Financial Statements. The companies that have entered in a larger Foreign Group show a higher level of selection to the IASs for the presentation of their Financial Statements.

The stage of the cycle of life, where the company is, and the existence of the exporting activity of the company are positively related to the strategic variables of successful implementation of IASs. These strategic variables are:

- The way and the general philosophy of facing the adoption of International Accounting Standards.
- The knowledge level for the presentation of the financial statements according to IASs
- The study of the effects to the financial status and the results of the company.
7. CONCLUSIONS

7.1 REVIEW OF DISSERTATION

While the application of the new system is clear for the companies that are listed in the Stock market of Athens (despite the problems from their adoption), the non listed companies are afraid of the unknown, with special speculation, but at the same time as a new challenge to the phenomena of the lack of transparency and rationality to the presentation of the financial data. The non listed companies have an amazing chance and an excellent possibility. The very fast changes to the global environment, the need of information with future direction, the harmonization with the international practice, the release of the tax law from distortions, the reinforcement of the supervisory authorities, the diminution of the differences between the listed and non listed companies give the chance for changes with important profits, especially, for the non listed companies in the Stock market of Athens. Profits that improve the reliability of the information, contribute to the decrease of the cost of the companies and to the ascent of the competitiveness, via the analysis of the information, of the facilitation of internationalized and foreign companies (participation of them in the Common Capital of Greek companies), of the mobility to the work market, of the decrease of the doubts and the frictions with the Tax Office, of the transparency and the protection of the viability.

In the present dissertation the presentation of the methodology that was followed within the bounds of the searching process (size of the sample, questionnaire, size of the collection of facts, profile of the questioned, questions, searching hypothesis) plays an important role.

7.2 GENERAL CONCLUSIONS

The basic conclusions of the research have resulted from the codification and the analysis of the questionnaires, where the supreme and the superior executives of the non listed companies in the Stock Market of Athens, who participated to the searching process, answered. The findings of the research, the expansion and the control of the searching and the statistical hypotheses are the primary material, which has led to the inference and the quotation of the dissertations’ conclusions.

The main object of this research is the determination of the possibilities of the implementation of the International Accounting Standards from the non listed in the
Stock Market of Athens processing companies (limitations and conditions of the ability of the International Accounting Standards to represent and impress accurately the financial data of the non listed in the Stock Market of Athens processing companies).

The basic assumptions of the ability of the IASs to represent accurately the financial data of the non listed companies and to be a safe way of normal and effective transition to the new accounting principles and processes are:

- The application of the principle of the financial essence over the legal type is the fact that ensures the reliability of the Financial Statements (reflection of the financial essence of the facts and exchanges and not only of their legal existence). The application of the specific principle must refer to the total of the Standards. However, there are some standards whose adoption must be examined with special attention.

- The consequence, the validity, the sincerity, the impartiality, the transparency, the uniformity and the possibility of comparison in the presentation of the Financial Statements.

- The application of the principle of caution to the process of the formation of the Financial Statements, in other words the existence of a measure of cautiousness, that is included in the practice of every judgement, which is demanded in order to become the necessary estimations under conditions of uncertainty, in a way that the elements of the Asset and the Incomes are not overestimated, while the Obligations and the Expenses are not devaluated.

- The exact application of the conservatism principle

- The application of the accrual concept

- The as far as possible complete knowledge of the new accounting cognitive object from the involved factors with understanding of the philosophy of the articles, that are provided by the International Accounting Standards.

- The existence of a prepared, trained and specialized stuff, (especially of Financial and Accounting direction), able to come up to the difficulties of the implementation of the new standards

- The support of the members of the Board of Directors of the businesses with constant, reliable information and education about strategic subjects of adoption of the new accounting standards.
The collection of the following quality characteristics to the presentation of the Financial Statements: understandability, relevance, reliability, comparability.

The cooperation of all companies’ parts and mostly of their Managerial executives (Production, Marketing, Commercial Section, Sales) for the successful adoption, acceptance and the application of the new standards with long-lasting prospect.

The direct implementation of the new standards and not the gradual or the simultaneous application with the existing Greek Accounting Standards (in reasonable margins of time-in 2 years the latest), in other words the complete and total implementation of them and not the fragmentary and the limited.

The division of the labour and the more effective organization of the business, so as to be successful the transition to the new standards.

Their implementation as instruments of development of the company and not as one more bureaucratic control procedure.

The adaptation of the new standards to the transformed conditions of every market and economy.

The capability of information of the real results, the financial data and the effective operation of the company, from all the participants, and consequently from the people that work to the company.

The basic limitations of the ability of the International Accounting Standards to impress accurately the financial data of the companies, to detect the possible problems of their adoption and to protect the company from errors, especially to the first stages of the implementation of the new accounting principles and processes are:

- The possibility of discretion that is given to the Board of Directors of the companies that are listed in the Stock Market of Athens, to estimate the most important financial and accounting data and to alternative handlings of data, that can be mistaken.

- The complication and the intricate of the implementation process of the new accounting rules and principles.

- The ignorance of the specific object, from public and controlling factors and from the Financial and Accounting executives, mostly of the non listed companies in the Stock Market of Athens.
7.3 CONTRIBUTION OF THE DISSERTATION - SUGGESTIONS FOR FURTHER RESEARCH

The present dissertation studies the conditions and the limitations of the ability of the International Accounting Standards to impress the financial data of the non listed processing companies in the Stock Market of Athens. The researches that have become till today refer to the point of acceptance of the accounting standards and to the study of the strategic constants of the successful implementation of the new rules, principles and accounting processes and concern the listed companies in the Stock Market of Athens, or listed to the developed, “mature” Stock Markets of European Union. Many researches record and analyze the opinions of the supreme executives of the larger European companies which concern the preparation point, the acceptance, the necessary adaptations, the effects and the applied strategies for the minimization of the cost and the problems of the transition to the IASs.

The information and the facts from the researches that have been preceded were precious for the formation of the research of the present dissertation. The experiences of the executives of the listed companies of the European Stock Markets from the first stages of the implementation of the International Accounting Standards, are an important guide of navigation to the trip of the implementation of the new standards and an effective and consultative instrument of safe leadership of the companies, especially of the non listed, to the determination and the receiving of all the decisions, that are related to the more reasonable implementation of the IASs.

It is known the non listed companies in the Stock Market of Athens are not obligated to implement the new standards. However, they can adopt them at will from the financial period of 2005. The problem of the non listed companies is diffused and this subject bothers seriously for the present The Administrations of the largest non listed companies. The steps are slow, the provocations are bigger and the prospects are positive. The markets show the tendency. Necessarily the non listed companies in the future will be forced or 'obliged' to present their financial statements according to IASs.

Consequently the conclusions of the present dissertation and the suggestions create a modern model of strategic and effective constants of successful adoption of the new accounting rules. The goals that have been laid with the adoption of the new standards are very high and they demand the receiving of direct measures and the application of those strategies, which will lead to the conquest of the transparency,
the comparison and the reliability. The organization of the transition to the new accounting standards and the creation of a complete plan of their implementation are considered as an urgent need. Accidental, fragmentary and hurried actions will lead to the maximization of the problems of implementation of the new accounting rules. Stable steps, with study of the experiences, effects and problems that the listed companies faced at the first stages of the implementation of the IASs, is the key of the success.

The first adoption of the new standards shows some weaknesses of the accounting system, possible omissions or wrong overestimations or underestimations of data, even “unfair” use of specific accounting data. Consequently, the necessary changes, the demanded revisions, the modifications, the adaptations or the abolitions of standards must become to those points where there are problems from the practical implementation of IASs, which shows clearly the necessity of issue of new standards, flexible and able to face the tax accounting subjects and to adjust to the demands of the modern changeable and dynamic markets.

The markets are opened systems, which are affected by the changes of the financial cycle and demand the existence of flexible mechanisms and frameworks, able to give a developing dynamic to the companies and not to “enclose” them in static and bureaucratic functioning processes. The markets demand reliable information, transparent presentation of the financial statement of the companies, more accurate appreciation of their abilities, improvement of the quality of the offered financial information and generally restoration of the confidence to the published financial data. The implementation of the new standards is the best chance for the present time juncture. This chance must not be lost, especially from the non listed companies in the Stock Market of Athens, which can decrease the possible dangers of the adoption of the new standards by studying the mistakes and the omissions of the listed companies. What is needed to become is the change of the philosophy of the businessmen, the understanding of the different spirit and the provisions of the new accounting principles and the change of the opinion about the easy “profit” via the intentional distortion of the financial data.
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