

Impact of the IFRS and US-GAAP on economic-financial indicators

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Purpose

The paper seeks to analyze the impact of differences between the International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles in the United States (US GAAP) in the economic-financial indicators of English companies.

Design/methodology/approach

The research is characterized as descriptive-quantitative, using regression and correlation analysis. The study was developed on 37 English companies that negotiate American Depository Receipts (ADRs) on the New York Stock Exchange (NYSE). Documental research consisted of accounting statements (AS) from 2005 sent to the London Stock Exchange (LSE) and to the NYSE.

Findings

The research shows percentage differences in the economic-financial indicators of English companies, calculated based on AS sent to the LSE and the NYSE that suggest divergences between the IFRS and the US GAAP. However, analysis of regression and correlation indicate significant correlation between the differences of these indicators. Thus, it was concluded that the economic-financial indicators are not affected in a significant way by the divergences in the accounting standards considered.

Research limitations/implications

As limitations, the economic-financial indicators chosen can be pointed out. Therefore, in the individual analysis of each indicator and of each company there are greater or lesser differences that are dependent on the existence of the elements that possess difference in the applicable norms and their sums.

Originality/value

Keywords: [Accounting standards](#), [Disclosure](#), [Stock exchanges](#)

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