November 19, 1975

Dr. C. Warren Vander Hill  
Director of Honors Program  
Campus

Dear Dr. Vander Hill:

Enclosed herewith is Miss Kathleen Andrews's ID 499 thesis for the Fall Quarter 1975, which you authorized me to be her advisor on.

It is my recommendation that she be given an A for the course and I have graded the paper as good with an overall grade of 95. Her application and research has been excellent and her grasp of the subject should be obvious.

This is an ongoing problem in international fields and is being intensively considered throughout the world. It is a timely subject and a copy of her paper will be forwarded to Dr. Paul Parkison, chairman of our Accounting Department in the College of Business. He is expected to have a course in International Accounting in the near future.

Sincerely,

Dr. Dorothy M. Harms  
Professor of Finance and Management

DMH/sm

cc: Miss Kathleen Andrews
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INTERNATIONAL ACCOUNTING STANDARDS

Introduction

It is a well-known fact that the world is growing closer every day. The increase of international business has played a major role in this process. In fact, according to C. C. Bowles, comptroller of Dow Chemical Company, not only has this alliance between business and the world effected the advancement of both, but now Mr. Bowles suggests that an interdependence has developed. Mr. Bowles states, "Today a company must be internationally oriented if it is to continue rapid growth, meet competition and be a truly progressive company." ¹ A similar point was also inferred by Professor Perlmutter, an expert on international business at IMEDE, when he pointed out that by 1980 approximately 75 to 80 percent of the world business would be conducted by only 200 firms. ² While Professor Perlmutter's speculations might not be realized verbatim, his point is well taken. International business and international business transactions are no longer exceptions to the general rule. Mr. Bowles comments are

² Ibid.
also noted to suggest that this relationship will be a continuing, ever-growing and ever-expanding relationship.

**Expansion of Accounting Field**

What has all of this advancement meant to today's accountant? It has meant that the accountant has had to expand his views to include more than just his own nation's accounting ideas. Such was not the case a few years ago. It has been stated by the 1973 Committee on International Accounting (and a classic understatement at that) that "accountants are likely to bear the major burden of determining the important differences in reporting between nations and of formulating policies which multinational enterprises will adopt for global use."³ In reference to this same burden that accountants now bear Gerhard Mueller, University of Washington professor, adds "to cope with these burdens effectively, accountants must develop the same international outlook held by the business and financial communities whom accountants serve."⁴ The accountant then, is faced at this point in time with a problem of almost unbelievable dimensions. Take, for instance this limited example which occurs everyday. Company ABC has established subsidiaries throughout the world. One of these happens to be in the Netherlands. As it is now

⁴Gerhard Mueller, International Accounting, p. ix.
year end the Netherlands subsidiary has sent in its year end statements. It is now the task of the accountant to prepare consolidated financial statements. The accountant, in order to be effective for this company, must know something of Netherlands' accounting procedures as well as foreign currency exchange rate translation. It would be imperative for him to know that whereas the concept of profit in the U.S. is that of compensation for risk, uncertainty and entrepreneurial efforts measured by the excess of revenue over expenses, in the Netherlands the measurement of profit is the maximum that could be consumed while still leaving the entity 'as well off' at the end of the period as it was at the beginning.

Furthermore, the replacement values rather than historical costs are matched with revenue. This latter is often referred to as the upward evaluation of assets due to inflation. In other words, due to differing accounting procedures applicable in the Netherlands as compared to the principles of the United States the accountant is in a real predicament for the correct method to show the earnings of the Netherlands subsidiary on the consolidated financial statements. One more example of the international accounting predicament might be that of the international investor. "Users of financial statement data at the international level are faced with the problem of trying to assess how non-comparable the statements of various international companies

\[ ^5 \text{Scott, op. cit., p. 145.} \]
are." In other words, because accounting procedures are very different from country to country how exactly should an international investor view a financial statement from Canada, Britain, or France?

The Basic Problem

The problem, then, is accounting on an international basis. It is a difficult problem for both the investor and the accountant. As has been shown, it is a problem of today as well as of tomorrow. Yet there exist many stumbling blocks in the area of international accounting, the first of which is no less important than an exact definition of what international accounting is or should be. "To date, a uniformly acceptable definition of the term has not yet been formulated and accounting literature does not provide an explicit definition of the term 'international accounting'." According to Professor Irving Fantl, prominent author, there are two major concepts which are discussed in relation to international accounting. According to the first of these, international accounting is considered to be a universal system that could be adopted in all countries. A world-wide set of generally accepted accounting principles, such as the standards maintained in the United States, would be established. The

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8 Ibid., p. 81.
second major concept considered to be international accounting is an international accounting system which would include "all the varieties of principles, methods and standards of accounting of all countries." Each of these definitions has merit and each will be reviewed separately. However, as will be shown through the course of this paper the only solid and viable definition which will undergo scrutiny will be the second definition. The first will be found to be an intellectual, theoretical goal and nothing more. The second definition, on the other hand, will be shown to offer very real alternatives for accountants today.

The Krayenhoff Proposal

According to the first definition and its proponents a universal system of accounting standards would be the best solution to the international problem of today. This universal set of generally accepted accounting principles would be developed and adopted through universal cooperation and research. According to this writer's research the first reference to international accounting standards was made in early 1960 by Jacob Krayenhoff, a past president of the Netherlands institute of accountants and presently a partner in a Dutch firm, when he suggested the establishment of standing committees in various countries for the research and study of

Ibid.
accounting principles. These national committees then might exchange results and promote discussion of areas of disagreement. He hoped that out these discussions would emerge some commonly held postulates that as their acceptance spread would form some sort of generally accepted international accounting standards blending the best thoughts of all contributors.

Mr. Krayenhoff states "I am a strong supporter of the widest acceptance of a uniform set of intelligible rules, which for certain items may be broad and differing."\(^{10}\) If this statement seems self-defeating, examine the next one. Later in his address Mr. Krayenhoff is quoted as saying

> It goes without saying that even if an internationally accepted set of rules is not attained after a number of years, such continuous international exchange of views would be of incalculable value. It would certainly have a fertilizing effect on all countries participating in this exchange, both in regard to understanding of financial statements and of the independent accountant's opinion thereon.\(^{11}\)

So, in effect, Krayenhoff has said that he thinks accountants should strive for international standards, yet if these are not attainable or advisable, then merely exchanging ideas or principles between nations would allow us to become more knowledgeable in accounting on an international basis. He seems to have covered all the options. Who can disagree with him? However, Mr. Krayenhoff's speech has caused a problem. Did he advocate international standards or did he just see them as a way to stimulate international exchange of ideas.

\(^{10}\)Paul Garner, Readings in Accounting Theory, p. 485.

\(^{11}\)Ibid., p. 489.
It appears that those accountants who heard Mr. Krayenhoff's address could have been affected in either of two ways. If they felt that, in the viewpoint of the international investor that a more understandable set of international financial statements were needed they agreed with Mr. Krayenhoff's suggestion to adopt uniform international standards. If, however, some other accountants who were not as convinced as their associates of the advisability of international standards, also heard Mr. Krayenhoff's address they too could agree with his proposal because it would allow an exchange of ideas and principles between countries. So, in fact, Mr. Krayenhoff suggested a means to an end with some of his listeners focusing on the end and others focusing on the means. A division was introduced and as such has helped to advance the varying definitions of international accounting which are a continuing source of confusion. The question now then remains are the international standards not a valid end in and of themselves? This question will be considered in detail after reviewing another suggestion for the advancement of international accounting standards.

**International Certification Procedure for Accountants**

To continue, then, with the viewpoint of those proponents of international accounting standards, research has shown that great numbers of such advocates are staunch supporters of Mr. Krayenhoff's proposal of forming committees. As a direct action proposal for the international accounting problem, a leaf is taken from the proceedings of the Second
Asian and Pacific Accounting Convention held in 1960 in Canberra and Melbourne. At this conference, Mr. David O. Gillette, a practicing CPA from Hawaii proposed the following

... We should take the initiative and establish a truly effective board to study the situation.

39. This board, which should be composed of members from all interested countries, could initially serve as a conduit for exchanging accounting knowledge. However, its prime purpose for existing would be to study and render a comprehensive report on the feasibility of the establishment of a world organization of professional accountants. Such an organization should have as its main purpose the goal of finding a set of uniform accounting and auditing standards. It is not necessary that this set of standards be accepted by any or all nations or their professional accounting organizations. The primary purpose would be to provide the minimum standards that an international investor will demand. . . .

41. The organization could grant certificates, called for lack of a better term, "International Certified Accountant" certificates. The ICA certificate holder should be a member in good standing in his own country's professional organization and have successfully completed an examination administered by the world organization.

42. Only an ICA would be authorized to render opinions in accordance with the world organization's set of standards. Once it became known to investors and creditors that these standards are based on sound economic principles and that the qualifications to become an ICA are high, would not the businessman seek out these individuals to prepare and certify to the financial statements that they desire to be acceptable world-wide? The standards of accounting and auditing adopted would become known by prominent accountants all over the world.

43. It is not inconceivable that as new nations in the world become economic powers they will accept these international standards. Perhaps many of the relatively new countries established since 1945 could with little effort be shown how advantageous it would be for them to accept as their own standards those that are acceptable to investors, businessmen and bankers throughout the rest of the world.

44. Eventually, as standards in the older, more established countries become outdated, the ICA's standards will be seriously considered. It is even conceivable that as businessmen in the world accept these international standards their individual governments will tend to take them into consideration when legislating tax and securities laws. It is not impossible to envision the day when a single title, such as ICA,
will be universally recognized as a badge of accounting competence."

Again, whether or not this will ever come to pass is academic. In this writer's opinion, it does not solve our problem of today at all. It sounds good but could it actually be put into effect quickly and efficiently? It will take time—a great deal of time. The problem is of current importance—something must be done now! In specific reference to this suggestion it appears to be a bureaucratic answer to a real-life problem. The fact is that the world is in a situation directly related to differences in accounting principles. In this framework, advocates of international standards are going to form another even more complex set of rules which at first will apply to no one nation or, on the other hand, would be so broad as to include all nations' differences. Here one might well ask why bother if they would end up being that general? Secondly, these advocates of the ICA rather than working with the here and now recommend turning away from the problem of differing standards and creating one more set of international accounting standards. This is not to imply that these accounting standards do not have their place and use. On the contrary, they are a very worthwhile goal for the future.

The Brandt Plan

Another major proponent of international accounting

standards is found in Mr. Robert F. Brandt, CPA. In a quote from a recent article Mr. Brandt states

The attainment of a general acceptance of over-all accounting postulates and standards and a single and fully comprehended meaning to a certification of financial statements will offer new challenges and greater opportunities for real professional services. The differences between bodies of accountants and the varied interpretations of rules, regulations, principles and practices ought to be minimized as quickly as possible with an eventual goal of uniformity in concepts."

It is suggested that a committee should be formed to minimize accounting differences among the nations of the world. Which nation would want that responsibility though? What country or nation would tolerate the insult of having their accounting principles minimized? What would a committee do whose accounting principles were minimized? Mr. Brandt does have a plan for implementation of his goals. They are in three phases

Phase I--Identification of those areas where fundamental differences exist and which for the good of the profession should be reduced or eliminated. Phase II--General acceptance of a course of action designed to develop an international codification of these principles and standards to the extent considered warranted and feasible. Phase III--Implementation on a step by step basis of the adopted plan. . .With hard work and good luck, there is every reason to believe that such a project could be basically completed in five years after launching.

Here, in effect, is the proponent of international accounting standards referred to previously. To rid the world of the


14 Ibid., p. 71.
problem of international accounting differences and variety, "minimize" those areas of difficulty for the "good of the profession." Wipe out all the differences. Then go off and create a new and different set of rules for the world. One optimistic point in Mr. Brandt's article, though, is that the entire process will take only 5 years. In other words, in regards to Mr. Krayenhoff who first made the call for international standards in 1960, Mr. Brandt could have established those guidelines for him threefold!! But one must wonder if the price for Mr. Brandt's 5 year plan is not more than the world is willing to pay or can be accomplished in a world of sovereign nations.

Another significant viewpoint is expressed in the editorial "Need for International Accounting Standards."\(^{15}\)

It states: In a world economy that is becoming closer knit, and with the growing international character of business and the desirability of investment in the underdeveloped countries, there is a need for a reliable means of international financial communication. To the extent that accounting principles, as commonly applied, differ from country to country, so financial statements prepared according to local concepts will fail to convey the proper message to the overseas investor. Probably even more crucial is the need for common, highly professional standards in auditing practice so that the

\(^{15}\)Kenneth Berg, *Readings in International Accounting*, p. 189.
investor will be able to place the same reliance on certified statements whatever the country of origin. As expressed in this article there is a very real need for creditable international statements. However, it should be noted that later in the article the author mentions

"Discussions could lead to broad declarations of principle, and international accounting congresses could serve as a platform to give such declarations force and authority. By such action, the best Western practices in this important area of human relations could be brought to the attention, not only of accountants in the developing lands, but also to the governments and business communities they serve." 16

Here, then, is another important problem in the area of international accounting standards. If such standards ever were to become a reality the United States (or any other nation for that matter) could not have in mind a goal similar to that expressed in this editorial. The United States could not expect to bring anything "to the attention" of everyone. The attitude would have to be one of mutual cooperation.

In this exploration of international accounting definitions, this first section has advanced the views of a few various advocates of international accounting standards. Their statements were recorded and analyzed. Hopefully, it has been shown that international accounting standards are not a realistic solution for today's problem. It most definitely sounds good on paper. In fact, some might wonder that anyone not advocating international standards would be

16 Ibid., p. 191.
against progress or against growth or advancement. Such is not the case. There definitely is an answer to the international accounting situation as will be evidenced shortly.

A Further Refinement

According to the second definition of international accounting, international accounting would include all the various principles, methods and standards of accounting of all countries. Referring, again, to Professor Fantl's divisions (page 4)

This concept includes a set of generally accepted accounting principles established for each country thereby requiring the accountant to be multiple purpose conscious when studying international accounting. No universal or perfect set of principles would be expected to be established. A collection of all principles, methods and standards of all countries would be considered as the international accounting system. ¹⁷

In fact some people believe that this is the only way to approach international accounting. Some proponents are of the opinion that it is not reasonable to expect that the dissimilarity (of accounting principles throughout the world) will—or even should be completely eliminated in the future. ¹⁸

In other words, these people feel that accounting is different among countries because it has to be different. It has to be different because it fills different needs. In the face of such diversity, then it is best that the accountant be made knowledgeable of the situation as a whole.

¹⁷Weirich, op. cit., p. 81.
¹⁸Horwitz, op. cit., p. 257.
Gerhard Mueller, a University of Washington professor, has written a very definitive work on this topic entitled, "Accounting Principles Generally Accepted in the U.S. versus those Generally Accepted Elsewhere." Mr. Mueller's argument begins by pointing out that not only is accounting affected by its environment but it also actively affects its environment, too. Accounting is a dynamic field constantly changing. "Accounting both reflects environmental conditions and influences them."19 This "reaction to environmental change mechanism" (for lack of a better term) explains the fact that there are so many various accounting practices and principles throughout the world. It is because there are very diverse and different business environments present throughout the world, and what is right for one is not necessarily right for the other.

Mr. Mueller's discussion proceeds to give some characteristics of a general business environment. These include "states of economic development, stages of business complexity, shades of political persuasion and reliance on some particular system of law."20 So, again, as anyone can see, the variables which affect and determine any given accounting system are many faceted. So, too, are the complexities of the international problem.

Mr. Mueller's next point is very important.

20 Ibid., p. 92-93.
Having shown accounting to be a dynamic activity relating to its particular business environment Mr. Mueller notes

Relative stability appears to be one of the properties of different business environments. This means two things 1) business concepts and practices, including accounting concepts and practices do not necessarily require rapid changes if they are based on environmental conditions, and 2) business environments are probably more difficult to change than is sometimes assumed.

In other words, business environments are pretty well stable. They are not going to change very drastically. What, then, would be the purpose in establishing international standards which might not be applicable in any way to the varied business environments of a majority of the member countries? Clearly, a set of generally accepted international accounting principles would have little meaning for the individual accounting systems within any given nation. In summary of his feelings, Mr. Mueller states,

The existence of basically different patterns of accounting developments throughout the world, and the varying accounting concepts and practices these patterns have produced in their own individual environments, lead to the conclusion that a set of absolutely uniform international accounting standards is as unrealistic as an attempt to force the accounting principles and practices of a single country upon the rest of the world. Significantly different environmental circumstances are not conducive to singular international accounting uniformity.

However, it would be incorrect to assume Mr. Mueller to be saying accounting internationally should do nothing more.

21 Ibid., p. 95.
22 Mueller, International Accounting, p. 244, 114.
than keep a huge list of all of the world's different accounting practices. On the contrary, Mr. Mueller advocates efforts being made to "harmonize" accounting throughout the world. He says,

A particular responsibility which accounting has in relation to change seems to exist. Awareness of this responsibility and concentrated efforts in connection with it are theoretically the most effective ways in which accounting principles between countries can be brought into greater harmony.

An International Accounting Language?

Another significant view of the international accounting situation is provided by John Deering, CPA with Arthur Young in his article "The Need for Developing International Terminology and Uniform Accounting Practices." Mr. Deering stresses the fact that to develop anything internationally members of the accounting profession all over the world must, in fact, speak the same language. They must use the same terms, the same "dialect" or jargon. To effect this Mr. Deering sees only one way.

A logical starting point for improvement would be the adoption of more informative disclosure practices, so that, whatever accounting principles or reporting practices are used, they can be reconciled by the reader with those he understands best. Disclosure does not of itself remedy the differences but it does provide a common denominator for financial understanding.

Mr. Deering's points are well taken. He offers a very

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24Berg, op. cit., p. 199.
direct and simple solution to the international accounting problem of today. Today the accounting principles of the world are not all alike and so why pretend that they are? However, something must be done to cope with the situation and that answer is disclosure. Allow accountants of the world to interact and find a commonality of language and terms in accounting and then eventually, in time, accountants can bind together those common, mutual practices into a group of international standards acceptable, then, to a truly international accounting world. "The goal of international accounting uniformity is not a reasonable goal at the state of the art today--both conceptual and practical." Stated more eloquently by Alvin Jennings, CPA,

The interdependence of the countries of the Free World, the expansion of international trade, the emergence of newly independent countries and their almost unlimited economic and social needs...and, in general, the dynamism of the present--all these insure a future in which the accounting professions of the world will find themselves in closer and closer contact. And in time international standards of accounting and auditing must inevitably emerge.

It is, then, the opinion of this writer that these international standards be allowed to emerge and not be superficially or artificially imposed.

A Solution Does Exist

Most of the advocates of international accounting

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as it is defined in this second definition do not advocate apathy as a solution to the problem. Mr. Mueller advocated harmonizing accounting principles. Mr. Deering offered disclosure. Most authors realize that as a problem does exist, a solution must be offered. They see accounting principles internationally as a very diverse and different group which could not, however, be coagulated as regulated under one body of international standards. They do realize, though, that a growing need also exists for less than the huge amount of diversity now present around the globe. What then do these people offer as a solution to the international accounting problem? Their solutions include either a set of very broad accounting standards (if such standards must be adopted) or extensive research and education commencing immediately into the area of international accounting differences. Advocates of the first of these solutions are those who sense the inevitability of man's craving for uniformity and for conformity. They realize it is man's constant struggle to organize and delineate. Again, according to Gerhard Mueller,

What is needed is a set of international standards so constructed that it forces recognition within it of several fundamentally distinct accounting environments. We do not need a separate theory of accounting for each country in which accounting is needed and practiced, nor do we need groups of generally accepted practices that are as numerous as membership in the United Nations. We need... an international standard that embraces all material differences springing from the realities of international diversity.27

In other words, let the accountants of today recognize the differences which exist and accept them. Let accountants realize these differences are here to stay. If the accounting society must adopt international standards, let them be "broad and differing" as Jacob Krayenhoff described them. Let them be a help rather than a hindrance to international accounting diversity. A second suggestion people have offered is the avenue of research and education.

It may be regarded as a platitude to say that the solution to many of these practical problems of international accounting practice lies in the enlargement of knowledge by each country's accounting profession and its practitioners of the body of accounting and auditing theory and practice which exists in foreign countries. . . . the answer is education.

This writer does not consider this to be merely a platitude but rather a very distinct possibility of a solution. According to Gerhard Mueller (who as it can be seen is a very knowledgeable man in the area of international accounting), "I would like to propose that a feasible solution of the problem at hand could be found by incorporating international accounting into the process of accounting education--both formal and continuing." And yet to be sure there would be much student unrest at the idea of including more accounting courses into the curriculum. The only way to alleviate this unrest would be to prove to them that this problem of

28 Jennings, op. cit., p. 41.
29 Garner, op. cit., p. 507.
international accounting is not one that will go away or diminish in importance as years go by. On the contrary, international accounting is a problem they will be called upon to deal with and to be involved in. John Allison, Senior Vice-President of Raytheon Corporation stated in 1974 that

There must be a substantial amount of understanding and appreciation of the foreign scene spread throughout domestic centers. I would venture to say that amongst the graduates of colleges and universities of this country who end up in business as a career, upwards of 70% will at some stage, and in many cases at a surprisingly early stage in their careers, be exposed in a meaningful way, as part of the routine of their jobs, to the so-called special problems of foreign business.

Seventy percent is a high percentage, yet, with increased international trade the estimate does not appear unreasonable in the least.

It is also a well-accepted fact that the only way international standards (however they are defined) are to come about is first through understanding of the current differences throughout the world and the reason for their existence. This understanding is not present at this time and will not be present without an increase in accounting education.

Graduates who come to us well grounded in accounting seem to have either little understanding of the different practices of accounting in other countries and in fact do not know that the differences exist. Participation (and education through) research projects should serve

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30Horwitz, op. cit., p. 251.
to show the students that ours are not the only ways.\footnote{Gamer, op. cit., p. 496.} That realization in itself would be a valuable increase in education for any student.

Think of the possibilities of international education of accounting students. Young accounting students truly would be accounting students of the world. Imagine the research and the advancement which would be possible if one were allowed to use the entire world as a base.

These (other) nations, in effect, (could) provide a testing ground for some of the procedures about which accountants in the United States have been only able to theorize for the most part, because they have not been aware of instances in which their theories had been put into practice in other countries. Despite our advanced accounting practices, we should not overlook the possibility that other nations, too, have dealt with some of the problems we face, and that, most of all, they have already found solutions to some of them. We cannot afford to repeat research, or worst of all, repeat errors at a time when communication between nations is so simple--particularly since ours is a profession that claims information and communication to be the very essence of its work.\footnote{Felix P. Kollaritsch, "International Accounting Policies," Accounting Review, 40:382: April 1965.}

There also might be a second more philosophical, humanitarian reason for establishing increased international accounting education.

We have, as leaders of the Western World and as members of a prosperous profession the obligation to assist the many under-developed or newly formed countries in establishing modern accounting systems. To assist them, we must study their present practices and learn their problems. The peoples of other nations will better understand our policies, our actions and our profession as a whole if we base our help to them upon knowledge of the prevailing circumstances of their own countries.\footnote{Ibid., p. 386.}
This furthering of the development of understanding between nations the writer considers to be a very important reason for the study of international accounting on an international basis. With a future based on an intelligent, global-minded group of young people the problems of what types of international accounting standards should be developed or imposed would be left in very capable hands. Without this increase in education though accountants will struggle as they have for the past fifteen years since Mr. Krayenhoff's first proposal for international accounting standards as to this definition or that definition and in the end they will get nowhere. The decision is up to the accounting societies of the world.

**Conclusion**

Throughout the course of this paper, the writer has tried to emphasize various points. As contructed upon the basis of the varying definitions of international accounting the paper proceeded to present various experts and their opinions as to the advisability of international standards and as to the uniformity of such standards that should be adopted. As was evidenced throughout this paper, it is the author's opinion that the world of today is not yet ready to accept uniform or standard accounting principles. While it is true that the world is growing ever smaller it is still not so small that one set of accounting rules could be applied successfully to all at this time. The situation however, is not insolvable. If the accountants of the world
begin to work together and research together and educate together maybe a commonality of accounting principles would develop. Those countries where accounting principles and business environments are underdeveloped would greatly benefit from such international exchange. Those countries whose standards are more well-developed would not suffer from the relationship either. As was suggested earlier, the opportunity provides a testing ground for theoretical exchanges of ideas. Simultaneously, the world could advance and all of this accounting interaction would advance a larger more humanitarian goal. For the immediate time being disclosure of the differing accounting principles would appear to be a great aid to the situation.

Another very important immediate solution is advanced education. At present, very few colleges or universities offer international accounting opportunities. As was mentioned before it might sound cliche to offer education as a solution and yet it is not just a pat answer but rather if correctly applied a very profitable, dynamic means to effect change. International accounting has quite a way to go before the accounting profession could offer truly international standards to a truly international world. And yet, because it is a future goal this does not mean that nothing should or could be done now. Rather as the future is just around the corner now is the time to begin to understand international accounting, whatever the definition.
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