

The perceptions of managers of Greek firms regarding the Costs and Benefits ensuing from the adoption of International Financial Reporting Standards in Greece

**Vasilios-Christos Naoum¹, Nicos Sykianakis²
and Christos Tzovas³**

Abstract

The study seeks to investigate the costs and benefits resulting from the application of IFRS in Greece. A questionnaire survey was conducted in order to identify the perceptions of the financial managers of Greek listed firms regarding the benefits and the costs associated with the transition to IFRS. In addition, it was asked to indicate whether the IFRS benefits are sufficient to cover the related costs. Four types of costs appear to be prevalent: personnel training costs, consultants' fees, preparation of two sets of accounts and costs to adjust existing information systems. The findings of the analysis of the responses suggest that, although the majority of respondents believe that the introduction of IFRS improved the quality of the financial statements published by Greek firms, they have serious concerns regarding the costs related to the introduction of IFRS.

Keywords: IFRS adoption, Greece, costs, benefits

JEL classification: M41

1. Introduction

This paper investigates perceptions of managers of Greek firms regarding the costs and benefits ensuing from the adoption of International Financial Reporting Standards (IFRS) by companies operating in Greece. The benefits ensuing from the adoption of IFRS mainly relate to the quality of information provided to the users of the firms' financial statements and the comparability of financial statements. The financial statements prepared according to IFRS are supposed to provide a faithful representation of the firm's financial position and financial performance by assigning importance to the economic substance of events. The more complete and analytical the disclosures made in the financial statements

¹ Athens University of Economics and Business

² Assistant Professor, Technological Education Institute of Piraeus

³ Assistant Professor, Athens University of Economics and Business