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RELATION BETWEEN TIMELY LOSS OF RECOGNITION AND FINANCIAL SITUATION

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Abstract *This study analyses the impact of the transition to international accounting standards on a fundamental characteristic of accounting information, namely accounting conservatism. It is noteworthy that the impact of the change in accounting standards on accounting conservatism will be assessed through an organisational characteristic, that is, the level of indebtedness. We have chosen to focus on the French context, because it follows standards that differ from the Anglo-Saxon accounting standards. The selected sample therefore includes French companies belonging to the SBF 120 index monitored over the period 2002 to 2012. Thus, the objective of this research is to test the impact of the adoption of international accounting standards, i.e. IFRS, standards considered by a large majority as being of high quality, on the accounting conservatism of companies, based on a financial characteristic, i.e. their level of indebtedness. After a rigorous empirical analysis, we noted that the change in accounting standards did not lead to an increase in the level of accounting prudence for the organisational characteristic of indebtedness, regardless of the company's level of debt.*

Keywords: *IFRS, Debt, Accounting Conservatism*

JEL Codes: *M41*

INTRODUCTION

Following the various financial scandals that have come to light, the subject that now occupies the economic scene is the quality of accounting information. Whereas for decades the recipients of accounting information were confident and reassured by the accounting information they obtained through financial statements, they are now more doubtful and distrustful, and ask the ultimate question of whether the accounting information conveyed via the financial statements is accurate. Financial information is information that faithfully reflects the economic reality, or is information that is voluntarily manipulated by the producers of accounting information, to offer users information that is closest to their expectations, through various means, such as the smoothing of results and the dressing of the accounts that make up the different forms of earnings management. It should be noted that in such a context, a common accounting language was required to restore the confidence of the various stakeholders. The international accounting standard-setter therefore developed the international accounting standards of Anglo-Saxon orientation. As noted by Whittington (2005), IFRS represents an effective alternative to the ever-increasing internationalisation of the financial markets.

As such, many countries consider the transition to IFRS as a successful experience. In this regard, we can refer to the study of Rao et al. (2020), who conducted a comparative analysis between IFRS and Indian accounting standards, which are in the same direction as IFRS; however, there are some differences. After comparative analysis, these researchers noted that for IFRS as well as IND AS standards, the quality of financial reporting has improved because financial reporting has become more relevant to the privileged user of accounting information, which is the investor. Through this research we can only confirm that IFRS are high quality standards and even standards that converge to IFRS lead to better quality accounting information.

It should be noted that IFRS is based on two fundamental pillars: the use of fair value and the agreement of precedence of the economic fund over legal form. Many countries such as Brazil, Ireland, and Denmark use fair value valuation. We can also refer to a recent study by Chada and Verdia (2020), which noted in the Indian context that the use of fair value depended on the financial situation of the company. In fact,

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according to these researchers, the debt-financed entities were oriented towards fair value rather than towards the historical cost. By using fair value, they more easily disclose the liquid values to the public, their creditors.

Indeed, as regards the concept of quality of accounting information, this concept offers the privilege of being a multidimensional concept, as Gaio pointed out in 2010. Researchers have therefore apprehended this concept through various attributes: earnings of management, which was defined by Cohen (2014) as the fact that managers take advantage of their discretionary spaces to mislead privileged users of accounting information. It is, therefore, a matter of only disclosing to investors information that supports their position to preserve their shares, the relevance of information, or the recognition of the loss in a timely manner or accounting conservatism.

Given that our research focuses on the consequences of the transition to international accounting standards on the quality of accounting information, we have decided to focus on an interesting concept, which is accounting conservatism, a principle consisting of the accountant making more efforts to recognise bad news rather than good news, the aim being to provide the investor, the privileged recipient of accounting information, with a quality accounting output, which enables him to act with full knowledge of the facts, therefore taking the best decision at the right time. Following a review of the literature, we decided to study the effect of the transition to IFRS on accounting conservatism, based on an organisational characteristic, namely the level of debt.

So the problem we will try to answer is the following:

What is the impact of the adoption of IFRS on accounting conservatism and in relation to debt?

Our article will contain three sections: in the first section, we will introduce our research and we will present the problems of our research; in the second section we will justify through a more or less exhaustive review of the literature, the existing association between accounting conservatism and the financial situation.

In the third section, we describe the research methodology by presenting first the sample of our study and then the econometric model that we are going to use to test our research hypothesis, which concerns the existing relationship between accounting conservatism and the financial situation, particularly the level of indebtedness in a post-adoption context of IFRS.

Finally, we will present our conclusion, where we will address our problems, present the contributions of the research, the limitations with which we were confronted, and the ways of future research.

It should be noted that like any research work, this study aims to achieve the following objectives:

- To see whether IFRS, which is considered by the vast majority to be 'high quality' standards, leads to neutral accounting information for non-autonomous companies, or, on the contrary, to conservative accounting information.
- To analyse the relationship between accounting conservatism and the adoption of IFRS as a function of an organisational characteristic, i.e. the level of debt.
- To see if the most vulnerable or financially dependent firms will opt for conservative accounting or will choose aggressive accounting.
- To see if the most autonomous companies converge towards conservative or risk-averse accounting.
- To verify whether the debt clause is a determinant in explaining accounting conservatism.

REVIEW OF THE LITERATURE ON THE CAUSAL RELATIONSHIP BETWEEN ACCOUNTING CONSERVATISM AND DEBT

A company's level of debt is critical to understanding its accounting conservatism. According to Watts (2003), the debt covenant is a key factor in explaining accounting conservatism, which consists in quickly recognising probable losses, while delaying the recognition of gains as long as possible.

According to Mora and Walker (2015), prudence means taking a number of precautions before making estimates so as to not mislead investors. According to the March 2018 update of the conceptual framework, fair information is information that is based in part on the prudence of using circumlocution in exercising judgment under uncertainty.

Given that conservative accounting is a relevant means of combating the asymmetry of information that can lead privileged users of accounting information to make unreflected decisions, it is relevant to study the relationship between these two elements. For example, in the case of a highly indebted company, it must be completely transparent in order to establish a climate of trust, a concept defined by Meyer et al. (1995) as "the deliberate willingness to be vulnerable to the actions of another party based on the expectation that the other party will perform an action that is important to the party placing its trust, regardless of the latter's ability to monitor or control the other party", which will subsequently facilitate the granting of loans.

There has been a great deal of empirical research on the relationship between accounting conservatism and indebtedness. Watts (2003) differentiated between three different scenarios, in terms of the income accruing to lenders and shareholders: the first scenario refers to the situation where the estimated value of the firm is higher than the estimated value of the net assets, in which case the lender will not receive any additional compensation. As for the second case, at maturity, the value of the firm is lower than the net assets. In the second case, the lenders will only be able to obtain the net assets. As for the third case, it refers to the situation where the company is in a phase of cessation of payments, in which case the lenders will not be reimbursed. We can therefore state that, to a certain extent, the contracts relating to debt clauses are "in default", because it is not possible to provide for everything in the contractual debt clauses.

As Watts (2003) has stated, in order to deal with these defaults, so-called restrictive clauses have been included in debt contracts, the purpose of which is to reduce the opportunistic behaviour of the manager to impose a minimum amount for the so-called net assets or the non-authorisation to distribute dividends through loans. These restrictive clauses are based on the calculation of different ratios. In the event that accounting data are not available, the valuation of the firm will be biased. As pointed out by Colmant (2006) and Watts (2003), the contractual clauses for debt, as well as the procedure for determining net assets, imply accounting conservatism, which is based on asymmetric recognition of gains and losses, taking into account probable losses quickly. On the other hand, for gains, their recognition only happens when they have actually occurred. Accounting conservatism is effective for indebted firms, because the act of mobilising funds for probable losses will enable the contractual clauses to be respected. This principle is therefore a guarantee that the contractual clauses relating to the debt contract will be respected (Ahmed & Henry, 2012).

With regard to the American context, Ahmed et al. (2002) studied conservative accounting for firms with conflicting relationships with their shareholders and creditors. Referring to a sample of 580 firms analysed during the period 1993-1998, these researchers found the following results: firstly, it is the companies in conflict with their various stakeholders regarding their dividend policies that opt for conservative accounting instead of aggressive accounting. Secondly, they noted the existence of a negative correlation between accounting conservatism and the cost of debt. What could be retained from this study is that accounting conservatism was more pronounced in firms that were in conflict with their shareholders. They also noted that when credit costs were lower, accounting conservatism was a solution to optimise debt contracts. Accounting conservatism was more important to firms with a high level of indebtedness. Being in a situation of financial dependence, these companies have to declare reliable information.

Moreover, according to Ross's (1977) signal theory, indebtedness for large firms is evidence of performance, since, given their size, these firms have a greater propensity to meet their financial commitments. Thus, based on this theory, indebtedness proves that the firm has a certain durability.

In the British context, Ball and Shivakumar (2005) analysed the accounting conservatism of listed and unlisted firms in the UK, in relation to the level of debt and, following the various analysis carried out, confirmed the idea that the contractual clauses relating to the debt contract depend on the accounting conservatism practiced. The researchers, thus, have affirmed that conservative accounting allows the disclosure of quality information that will also result in a decrease in the debt ratio over the long term.

Donavan et al. (2014) studied the relationship between accounting conservatism and the financial consequences of the firms in question, using data from 987 firms in "financial distress", i.e. bankrupt, over the period 1987-2011. The information related to these companies was obtained from the URD (Ultimate Recovery Database). It should be noted that these researchers based their empirical analysis on the following assumptions: firstly, according to Donavan et al. (2014), conservative accounting prevents the deterioration of the value of the firm, and secondly, in the event of bankruptcy, it enables them to act in a useful way by reducing informational asymmetry, thus enabling the various stakeholders to develop an action plan to emerge from the 'crisis'. Donavan et al. (2014) concluded from their analysis that the level of caution is more pronounced in firms that have defaulted in the past and, therefore, did not respect contractual clauses. It should be noted that the high conservatism of firms has allowed them to improve the productivity of assets, avoid bankruptcies, and in firms that have already gone bankrupt, post-bankruptcy conservatism allows for a better recovery.

In the European context, Sodan (2012) conducted a study on the relationship between the degree of accounting conservatism and the cost of debt. Indeed, this research focused on private companies listed on the stock exchange from 17 Central European countries. The final sample consisted of 37,637 firms/years. The period studied was 2003-2011. At the end of his research, Sodan (2012) found that creditors choose prudent or conservative accounting rather than "aggressive" accounting, because prudent accounting improves the contractual debt terms and quickly recognises probable losses, allowing creditors to "protect" themselves quickly and not have to incur costs for non-compliance of the contractual terms. After empirical analysis, Sodan (2012) argued that firms with a high level of conditional conservatism are the most indebted. At a certain point in time, companies should therefore opt for conservative accounting, as a lack of transparency can jeopardise the granting of loans.

In another context, Nikolaev (2009) conducted a study on companies that use public debt. Referring to a sample of 32,716 firms/years analysed during the period 1980-2006, Nikolaev (2010) concluded that the timely recognition of losses is more marked for firms which use public debt. However, it should be stressed that the positive correlation between the level of debt and accounting conservatism is strongly attenuated when firms use private debt, since the degree of information requirements is not the same.

In the international context, Li and Zhang (2015) conducted a study on the effect of the so-called conditional accounting conservatism on the cost of debt. Li (2015) found that the decline in the cost of debt is only observed in countries where accounting information disclosed through the mandatory documents is conservative. The more conservative the accounting is, the more the lenders will be reassured and will allow companies that borrow to benefit from a decline in the cost of debt. Thus, when a company opts for conservative accounting, its degree of solvency is greater, and the lenders will have more confidence; *i* implies there is a negative correlation between conservative accounting and the level of debt.

Before formulating our research hypothesis, it is relevant to underline that before studying the level of debt as an explanatory variable for accounting conservatism in a context of mandatory transition to IFRS, it is interesting to study the impact of IFRS on the supply of credit, because the level of debt of a company depends on the supply of credit from banks. If a company does not have the necessary funds to monitor its operations, it will then turn to the banks, which must therefore have funds to respond favourably to the credit offer. Thus, in the banking sector, Clavier and Alexandre (2017) have studied the impact of the mandatory adoption of IFRS on the supply of credit by European banks. Using a sample of European banks, both listed and unlisted, from 15 European countries, the researchers came to the following conclusions: the transition to IFRS has led to an increase in the supply of credit for smaller banks, while the impact of IFRS has been neutral for larger banks with sufficient liquid assets and equity.

On the other hand, the impact of IFRS has been neutral in terms of the supply of credit to large banks with sufficient liquid assets and equity.

After showing how a company's conservative accounting policy is conditioned by its level of debt, we will test this relationship in the context of the post-adoption of IFRS as part of our research work. It should be noted that the meaning of the existing relationship between accounting conservatism and the level of indebtedness may vary following the mandatory transition to IFRS. When a company is heavily indebted, it must prove its good faith to the various stakeholders by opting for so-called prudent accounting rather than aggressive accounting. Thus, in order to compensate for the inevitable asymmetry of information, there should be a positive relationship between accounting conservatism and the level of indebtedness.

Thus, our research hypothesis is as follows:

Hypothesis: In a context of mandatory adoption of IFRS, there is a positive correlation between a company's indebtedness and accounting conservatism.

METHODOLOGY

Description of the Sample

In order to analyse the impact of the adoption of IFRS on the degree of accounting conservatism of companies according to their level of indebtedness, we decided to refer to a sample composed of French companies, because it is more relevant to test the effect of Anglo-Saxon standards in a non-Anglo-Saxon environment than in an Anglo-Saxon environment. It should be noted that according to the Anglo-Saxon conception, accounting represents an efficient and therefore strategic means, allowing the privileged user of accounting information to make the best decision; according to the French conception, accounting information represents a means of accountability.

Our sample is composed of French companies belonging to the SBF 120 stock market index, followed from 2002 to 2012, and we have chosen this period in order to highlight the effect of the transition to international accounting standards. This period includes the period before the adoption of IFRS and from 2005 onwards it is the period following the adoption of IFRS.

Description of the Model Used

In order to study the relationship between accounting conservatism and the mandatory adoption of IFRS, and this as a function of debt, we will refer, as Balti (2013) did, to the modified model of Basu (1997).

The first step is therefore to divide our sample, i.e. companies belonging to the SBF 120 index, into two categories, according to the debt criterion.

These two categories are presented below:

Category 1: companies with very low indebtedness.

Category 2: companies that are very heavily indebted.

In order to make this distinction, we will refer to the report: Total Current Financial Debts + Total Non-

Current Financial Debts on all the assets of company *i* at time *t*.

After calculating this ratio for each year and for each company, we will compare this ratio to the ratio: TCFD + TNCF/Total assets of the sample.

The dichotomous variable will take the value of 1 if the ratio TCFD + TNCF/Total assets of the firm, is higher than the ratio TCFD + TNCF/Total assets of the whole sample. Otherwise, the binary variable will take the value 0.

After dividing our sample according to the level of debt, we will refer to Basu's (1997) modified model.

Modified model of Basu (1997):

$$EPS_{it}/P_{it-1}=\alpha_0+\alpha_1 D_{it}+\alpha_2 R_{it}+\alpha_3 D_{it}*R_{it}+\alpha_4 IFRS_{it}+\alpha_5 IFRS_{it}*D_{it}+\alpha_6 IFRS_{it}*R_{it}+\alpha_7 IFRS_{it}*D_{it}*R_{it}+\varepsilon_{it}$$

Table 1: Presentation of the Different Variables

Type of Variable	Acronym	Measured Effect
Dependent	EPS_{it}/P_{it-1}	Earnings/share price
Independent	R_{it}	Non-forecast return per share starting nine months before the end of the fiscal year
Independent	D_{it}	Dichotomous variable that can take two values: 1 if the yield is negative, 0 otherwise
Independent	IFRS	From 2003 to 2013, the IFRS variable takes on the value 1; Before 2005 the IFRS variable takes the value 0

Table 2: Observations Classified According to Indebtedness

Indebtedness	Frequency	Percentage	Cumulative Percentage
So-called low indebtedness	615	57.10	57.18
So-called high indebtedness	492	42.96	100.000

Descriptive Statistics for the Two Respective Categories, Category 1 and Category 2

Using Basu's (1997) modified model, we will run one regression for firms in category 1 (firms with low debt) and a second regression for firms in category 2 (firms with high debt), in order to divide our sample according to their debt levels.

Table 3: Descriptive Statistics for Category 1 (Low-Indebtedness Entities)

From 2002 to 2012	Variables	Median	Mean	Standard Deviation	Minimum	Maximum
Category 1 Companies	EPS_{it}/P_{it-1}	0.0592	−10.279	254.21	−0.387	17.804
	R_{it}	0.04	2.07	12.83	−0.96	25.9
	D_{it}	0	0.43	0.49	0	1

Table 4: Descriptive Statistics for Category 2 (Heavily Indebted Entities)

From 2002 to 2012	Variables	Median	Mean	Standard Deviation	Minimum	Maximum
Category 2 Companies	EPS_{it}/P_{it-1}	0.07	2.96	38.88	−2.84	111.47
	R_{it}	−0.14	3.86	22.91	−0.96	166.84
	D_{it}	0	0.46	0.49	0	1

Reading the descriptive statistics for the two categories (highly indebted firms and low-indebted firms), we note that, for firms in category 1, i.e. low indebtedness, the median for the variable relating to the ratio of earnings per share to the share price at t-1 is higher than the average for this variable. Indeed, the median is equal to 0.0592, while the average is equal to −10.279. We can therefore state that for the first category, the distribution of results is negatively skewed.

Concerning the second category of firms, i.e. highly indebted firms, we note that the median for the variable relating to the ratio of earnings per share to the share price at t-1 is lower than the average for this variable.

With regard to standard deviation, which is an indicator that measures dispersion, we note that for both categories of companies, the standard deviation relating to performance is lower than the standard deviation relating to earnings. In fact, for the first category of firms, the standard deviation relating to performance is equal to 12.83, whereas the standard deviation relating to the result is equal to 254.21.

For the second category of companies, which therefore includes highly indebted companies, we note that the standard deviation relating to the return is equal to 22.91, while the standard deviation relating to the result is equal to 38.88.

In light of the results we have obtained, we can safely state that the value of the companies is not undervalued, in other words, the accounting adopted is aggressive and not prudent.

With regard to the average for the two categories of firms, we note that the average for the profit/price ratio is higher for highly indebted firms, since for category 1 the average for this variable is equal to −10,279, while for category 2, the average for this variable is equal to 2.96.

With respect to our performance variable, we note that for category 1, the average for the performance variable is lower than the average for category 2. Indeed, for companies with low indebtedness, the average relative to performance is equal to 2.07, whereas for companies with high indebtedness, the average relative to performance is 3.86. This variable fluctuates between −0.96 and 166.84. In the case of firms with low debt, the variable relating to performance varies from −0.96 to 25.9.

In conclusion, based on the results of the descriptive statistics, we note that our results do not coincide with those of Balti (2013) and Ball, Kothari and Robin (2000).

Following the presentation of the descriptive statistics, we will look at the regression results for the first category of firms in the following section.

Discussion of the Results

Regression for the First Category

Table 5: Regression Results for the First Category

	α_0	α_2	α_2	α_3	α_4	α_5	α_6	α_7	**Statistical Tests**
Category 1 companies	−0.194	0.110	0.0102	0.8286	0.1561	−0.043	−0.086	−0.1879	F = 0.0670 R2 = 0.7667

We will present and analyse the results obtained from regression for the first category of companies.

Based on the coefficients α_2 and α_6, we see that the recognition of good news or favourable news has decreased as a result of the transition to international accounting standards. This coefficient went from 0.0102 to −0.086. Note that these coefficients are significant at around 20%.

Concerning the recognition of bad news in the accounting results by referring to the coefficients α_3 and α_7, we note that, following the transition to IFRS, the incorporation of bad news in the accounting result has decreased significantly. Indeed, before transitioning to IFRS, the coefficient relating to bad news was around 0.8286, whereas, while following the transition to IFRS, this coefficient has decreased and is equal to −0.18974; this coefficient is significant in the order of 5%, because P>|t| = 0.

The results show that for these companies with low debt, the transition to IFRS did not lead these French companies to opt for prudent accounting or risk averse accounting. Our results are thus in line with those of Balti (2013).

Thus, for companies with low indebtedness, the transition to IFRS has led to a reduction in accounting conservatism.

Having analysed the accounting conservatism for companies with low debt, we will look at the accounting conservatism of companies with high debt in the following sections.

Regression for the Second Category

Table 6: Regression Results for the Second Category

	α_0	α_1	α_2	α_3	α_4	α_5	α_6	α_7	**Test Statistics**
Category 2 companies	−0.0429	0.5403	0.0116	0.0609	0.0429	−0.093	−0.0116	−0.1847	F = 0.0009 R^2 = 0.9528

Based on the coefficients α_2 and α_6, we note that following the transition to IFRS, the speed at which good news is taken into account in the accounting results has decreased significantly. This coefficient went from 0.01162 to −0.0116.

This result does not match the results of Balti (2013), as Balti (2013) has observed that for companies with high debts, the transition to IFRS has led to an increase in the recognition of good news in the accounting results.

As regards the consideration of the unfavourable or bad news in accounting results in light of the results we have reached, we note that the coefficient relating to the bad news was about 0.0609, whereas, while following the transition to IFRS, this coefficient decreased considerably. Indeed, it is equal to −0.1847 and is significant at the threshold of 5%. Our results concerning the inclusion of bad news in the accounting results are, therefore, similar to those of Balti (2013). The latter found that for both categories of companies, i.e. companies with low debt and companies with high debt, the transition to IFRS led to a decrease in the recognition of bad news in the accounting results.

Referring to the determination coefficient, we note that the R-squared of the highly indebted companies is much higher than that of the low-indebted companies. Indeed, it is equal to 0.9528 for highly indebted companies, whereas the determination coefficient of the low-indebted companies is 0.7667. Thus, we can affirm that the decrease in accounting conservatism was more marked for highly indebted companies.

To sum up, our results are therefore in line with that of Balti (2013), but contradict those of Ball and Shivakumar (2005), who found in their work that highly indebted companies are those that display a high level of accounting prudence or conservatism.

CONCLUSIONS

In accordance with the modified model of Basu (1997), and in view of the different analysis, our research hypothesis is rejected, because whatever the level of indebtedness, we found a negative correlation between the adoption of IFRS and conservative accounting. The organisational specificity relating to the level of debt did not lead to an increase in the level of conservatism for our sample. Our answer is unequivocal: whatever the level of debt, the transition to IFRS has led to a decrease in the level of conservatism.

The empirical validation of Basu's (1997) modified model shows that for French companies classified according to debt level, the transition to IFRS has led to a decrease in the recognition of bad news in accounting income. We can justify our results with the fact that for highly indebted companies, the latter already being in a state of 'financial vulnerability' will not disclose bad news in the accounting result, because creditors may react negatively by proposing, for example, the judicial settlement of the company. Being already heavily indebted, these companies do not incorporate bad news in the accounting results as this could dissuade investors from funnelling funds into the company.

It should be noted that, theoretically, a company with low debt should recognise these losses in a timely manner for various reasons: to prove its transparency towards its various stakeholders, which may allow the company to improve its image, and to reduce the asymmetry of information of which the investor is a 'victim". However, in our research, we have noted that the transition to IFRS has led to a decrease in the recognition of bad news in the accounting results. As these companies do not want to appear as companies where the risk of default is significant, which could lead investors to divest, creditors may demand contractual clauses that are more binding for the company. This result can be explained by the fact that when making decisions, managers may be subject to different types of biases that cause empirical validation not to confirm the theory. Indeed, as Albouy (2012) has pointed out, we currently need a redesigned theory that takes into account the behavioural biases to which various stakeholders are subject.

It should be noted that this research work has expanded the accounting literature by focusing on an important aspect of the quality of accounting information, which is the concept of accounting conservatism. We have, therefore, studied the relationship between accounting conservatism and the degree of indebtedness, more particularly, the evolution of this relationship following the change in accounting standards, i.e. the transition to IFRS.

We are going to present the contributions of this research, the limitations, and finally, future ways of research.

Contributions of the research:

- The present research allows the standard setter to have an empirical validation of the effect of the transition to IFRS on the existing relationship between accounting conservatism and the level of indebtedness on a sample composed of non-aggregate, French companies. In the light of the results we obtained, the transition to IFRS led to the existence of a negative relationship between accounting conservatism and the level of indebtedness. These are the results of the various studies that can guide the standard setter in the development of these standards or in the implementation of various amendments.
- This research can enlighten investors who like risk, that is, our research proves that the organisational specificity related to the level of debt does not lead to an increase in the level of accounting prudence following the transition to IFRS.
- For teachers, this research highlights the value of teaching IFRS to students, because today's students will be able to occupy management positions in the future, at which time they will have the necessary skills to manage their companies.

As for the limitations we have encountered:

- Our data were collected abroad because they were not available in the country.
- IFRS standards are constantly changing, so when we deal with a topical issue such as IFRS, we must constantly refer to the website of the international accounting standard setter.

Future research directions:

- The concept of the quality of accounting information can be apprehended under various dimensions; future researchers will be able to choose another attribute of the quality of the accounting information, i.e. an attribute other than accounting conservatism, for example, the management of the results or informational relevance.
- In particular, they will be able to analyse the impact of IFRS adoption on the relationship between accounting conservatism and another organisational characteristic, and not on the level of indebtedness.

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