Abstract:

Numerous authors, both practitioners and scholars, have constructed various justifications for the international harmonisation of accounting standards. To understand the motive behind establishing and implementing International Financial Reporting Standards (IFRS), this paper examined two reasons cited in the literature (reduction in cost of financial reporting and improvement in capital market efficiency) which argue for the setting of a global set of standards. This paper examined the constitution of the International Accounting Standards Board (IASB) and the relative positions of power of the member nations such as Australia, the EU and the US. The paper then analyses how IFRS help to expand imperialism. Subsequently, the post World War II imperialism of the US is examined to understand how the US can emerge as the most influential nation in setting globally enforced accounting standards.