



Jurnal Dinamika Akuntansi dan Bisnis (JDAB)
Journal of Accounting and Business Dynamics

URL: <http://jurnal.unsyiah.ac.id/JDAB/index>



Perception of Preparers and Auditors on New Revenue Recognition Standard (IFRS 15): Evidence From Egypt^{*}

Amr M. khamis

Department of Accounting and Auditing, Faculty of Commerce, Alexandria University, EGYPT

Corresponding author: amrkhamis03@gmail.com

INFORMASI ARTIKEL

Article history:

Received 6 June 2016

Received in revised form 19 June 2016

Accepted 22 August 2016

Available online 28 October 2016

Keywords:

Revenue recognition

Accounting standard

IFRS 15

IFRS adoption

ABSTRACT

In May 2014, the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) issued long-awaited converged standard on revenue recognition, IFRS 15 and ASU 2014-09 (Topic 606) Revenue from Contracts with Customers, that sets out the principles for when revenue should be recognized and how it should be measured, together with related disclosures and will replace the all current revenue standards in IFRS and US.GAAP. Although the actual implementation is still in the future, now is the time for all preparers, auditors and users of financial statement to understanding of the new recognition and disclosure requirements and prepare to implement them, because the new provisions of IFRS 15 will impact in all entities in all industries, but the extent of the impact can vary significantly. This paper test the perception of Egyptian preparers and auditors on IFRS 15, we focus on the level of familiarity, standard clarity and ease of application across different business sectors in Egypt. The final sample of the study consisted of 31 auditors and 34 preparers (which consist of chief accountants, account executives and etc.), a majority of the participants (88.3%) were from local accounting firms or Listed companies operating in various business sectors. Both the auditors and preparers are experienced accountants with mean years of experience of 7.6 and 8.56 years respectively. We find that generally Egyptian accountants and auditors surveyed are still not ready to adopt and did not have sufficient knowledge about IFRS15, as well as, they afraid of the new revenue recognition requirement (which increased discretion and professional judgment in revenue recognition) and its potential impact on different industries.

© 2016 FEB USK. All rights reserved.

^{*} The earlier draft of this paper has been presented at the 35th International Business Research Conference, 30-31 March 2016, Dubai, UAE.

1. Introduction

Revenue is among the largest and most value-relevant items in firms' financial Statements (Srivastava, 2013), because Revenue usually is the largest single recurring item in financial statements and one of the most important information that have a value relevance to all users of financial statements to evaluate the entity's ability to achieve future earnings and cash flows and to identify future prospects. (Schipper et al., 2009) Despite of Revenue is an important measure of an entity's performance, which used widely by investors and other users for making comparisons and investment decisions. (Ciesielski and Weirich, 2011), Issues involving revenue recognition are among the most difficult that standard setters and accountants deal with regularly, because when there are problems in a entity's financial statements, investors are more concerned about revenue recognition problems than any other reporting issue. (Colson et al., 2010).

Revenue recognition is an important topic because it is one to the most important and complex challenges facing companies. Due to its complexity, it is considered to be one of the top accounting and auditing areas of risk and one of the most significant causes of material weakness in internal control, because revenue recognition requirements in the US.GAAP differ from the IFRS revenue recognition principles, and both sets of requirements are considered for improvement. (Bohusova and Nerudova, 2009).

Revenue recognition under US.GAAP requires revenue to be earned and realized or realizable before it can be recognized. While this concept seems straightforward, it is not applied consistently across different industries. As result there are currently over 100 different industry-specific and specialized revenue recognition standards under U.S. GAAP, which often leads to different treatment of transactions that are economically similar. The inconsistency in revenue recognition makes revenue less comparable across different industries and entities. Despite the number of industry specific standards, there are still gaps in the guidance and there are not specified standards for all types of businesses and situations and little guidance is provided for service activities, the fastest growing

part of the U.S. economy On other hand, international standards (IFRS) generally provide less guidance on revenue recognition and those standards can be difficult to understand and apply to other than simple transactions. In addition, international standards provide limited guidance on important topics, such as revenue recognition for multiple-element arrangements. The disclosure requirements in U.S. GAAP and IFRS often result in information that is inadequate for users to understand a company's revenues. (Fisher, 2014, J.Gallistel et al., 2012).

The (FASB) and (IASB) believes there is a demand for international convergence standard because investors want high-quality, comparable financial information that will make decision-making easier in our increasingly global capital markets. The Boards are attempting to create a single joint set of standards that companies can apply consistently across various industries and capital markets. In September of 2002, the (FASB) and (IASB) signed the Norwalk Agreement, which proclaimed their intentions to eliminate differences between U.S. GAAP and IFRSs and to develop one set of high quality global accounting standards. One month after the adoption of the Norwalk Agreement the IASB and FASB issued a Memorandum of Understanding (MOU), which was updated in February of 2006 and included an initiative for a joint project on revenue recognition. To correct the inconsistencies and weaknesses in the current Standards and to cater for the emerging complex revenue transactions, the IASB, together with the US FASB, undertook a joint project to develop a common model for revenue accounting. An exposure draft (ED/2010/6) was issued in June 2010 and a revised exposure draft (ED/2011/6) was issued in November 2011. (Steele, 2012, Bohusova and Nerudova, 2009).

In May 2014, the IASB and FASB published a new joint standard Revenue from Contracts with Customers (IFRS 15 vs. ASU 2014-09) which replaces most of the detailed guidance on revenue recognition that currently exists under US GAAP and IFRS. The new standard also seeks to provide a more robust framework for addressing revenue issues through simplifying the preparation of financial statements by reducing the number of requirements to which an entity

must refer. In addition, it improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, as well as providing more useful information to users of financial statements. (Dyson, 2015, Tong, 2015, Benavides, 2015, Holzmann and Munter, 2014).

This paper aims to highlight the perceptions of Egyptian preparers and auditors on IFRS 15, with particular focus on level of familiarity, standard clarity and ease of application across different business sectors in Egypt. To the author knowledge, this is the first paper which examined the issues in Egypt. While most of the studies on IFRS 15, focuses were given on the discussion on the new revenue model and its potential impact to different business sectors and made in developed countries. The present study is an extension of the study (Lim et al., 2015) to examine the potential effects of IFRS15 across different countries with different stages of economic development, so we application the study on a developing country, namely Egypt, which maligned the poor infrastructure of the financial reporting as a result of the low level of the qualifying and professional prepares and auditors, And the lack of continuing education programs for them. In addition, egyptian standards that have been issued without the institutional framework illustrates a mechanism to ensure updated keep pace with changes in international standards.

We find the preparer's and auditors in Egypt still unfamiliar with the new IFRS 15 and they believe the concept of IFRS15 not clear and difficult to apply across different business sectors in Egypt. The findings of this study are important to standard setters in teasing out particular concerns that may be addressed by the standard setters, and professional organizations to develop the culture and knowledge of its members, and audit firms to develop the knowledge of its members by continuing Training programs to improve the skills and knowledge of its employees. Relevant training and education programs are important for preparers and auditors to get a deeper understanding for IFRS15 and to understand the effect of implication of new standard on many industries.

This paper is organized as follows: Section 2 Literature Review. This is then followed by a

discussion on the methodology and findings of the study. A conclusion and summary is then provided to complete the paper.

2. Literature Review

2.1 Revenue Recognition under US. GAAP Standards

Revenue is a key performance metric used by investors and other stakeholders in assessing a company's performance and future prospects. Consequently, the accounting for revenue presents one of the most important challenges that entities face, and it continues to be a major area of auditing risk. (Jones and Pagach, 2013) There are two levels of guidance for revenue recognition in the US.GAAP:

- **Level I** – guidance in Concepts Statements, Concepts Statement No. 6, Concept Statement No.5, where is defined revenue and described the basic criteria for revenue recognition.
- **Level II** – guidance for revenue recognition in certain industries and economically different transactions (dispersed throughout Accounting Principles Board (APB) Opinions, FASB Statements, American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guides, AICPA Statements of Position (SOPs), FASB Interpretations, Emerging Issues Task Force (EITF) Issues, and Securities and Exchange Commission (SEC) Staff Accounting Bulletins (SAB). Most of this literature provides narrow-scope industry - or transaction-specific guidance focused on particular practice problems. It has been developed largely on an ad hoc basis to provide guidance as new business models. The guidance is not always consistent across pronouncements. (Bohusova and Nerudova, 2009)

Revenues are defined by FASB Concepts Statement No. 6 (CON 6) Elements of Financial Statements as inflows or other enhancement of assets of an entity or settlements of its liabilities from delivering or producing goods, rendering services, or other activities that constitute the entity's ongoing major or central operations. Revenue recognition criteria are defined in the FASB Concepts Statement No. 5 (CON 5)

Recognition and Measurement in Financial Statements of Business Enterprises. Criteria require that revenue must be realized or realizable and must be earned.

- 1) Revenues are realized when products (goods or services), merchandise, or other assets are exchanged for cash or claims to cash. Revenues are realizable when related assets received or held are readily convertible to known amounts of cash or to cash claims.
- 2) Revenues are not recognized until earned. Revenues are considered to have been earned when the entity has substantially accomplished what it must do to be entitled to the benefits represented by the revenues. (J.Gallistel et al., 2012)

Because an entity's earnings process is determined by its business model, and the number of business models can grow without limit, application of the earnings process has led, in U.S. GAAP, to more than 200 pieces of literature, most of which are, literally, tied to business models, in the sense of being industry specific. The guidance also is viewed by some as ad hoc and not consistent with the definitions of financial statement elements, as well as conflicting results for economically similar transactions because an earning process is not precisely defined. The existence of different requirements for economically similar transaction reduces the comparability of revenues across entities and industries. (Epstein, 2014, Steele, 2012) So the SEC issued SAB 104, in December 2003, did not create new GAAP to be followed, but rather it summarized certain SEC staff views on applying existing revenue recognition guidance, In accordance with SAB 104, revenue generally is earned and realized or realizable when all of the following criteria are met :

- i. **Persuasive evidence that an arrangement exists.** The requirement that persuasive evidence of an arrangement exists is intended to ensure that an understanding between the parties about the specific nature and terms of a transaction has been finalized. Determining the proper accounting treatment for a transaction depends on evidence of the final understanding

between the parties, because a change in terms could lead to a different conclusion regarding the revenue recognition model to apply.

- ii. **Delivery has occurred or services have been rendered.** Unless delivery has occurred or services have been rendered, the seller has not substantially fulfilled its obligations under the terms of the arrangement, and revenue should not be recognized. Delivery is generally deemed to have occurred when the customer takes title and assumes the risks and rewards of ownership.
- iii. **The seller's price to the buyer is fixed or determinable.** Whether the price is fixed or determinable depends on many factors, including payment terms, discounts, and rebates, which can vary from arrangement to arrangement. In determining whether the price is fixed or determinable, entities are to evaluate all elements of an arrangement to ensure that amounts recognized as revenue are not subject to refund or adjustment.
- iv. **Collectability is reasonably assured.** If the collection of the consideration in an arrangement is not reasonably assured, the CON5 general principle of being realized or realizable is not met, and revenue recognition is precluded until collection is reasonably assured. (Benavides, 2015, Fisher, 2014 ,Epstein, 2014)

The first two criteria provide specificity to the idea of completing an earnings process (the Seller has provided the good or service "earned"). The third and fourth criteria provide specificity to the idea of realized or realizable revenue (the buyer has agreed to accept and pay for the good or service). The four requirements for revenue recognition provide general guidance for when revenue is realized or realizable and earned, but there are also a large amount of industry-specific requirements for revenue recognition. The FASB Codification includes industry-specific revenue recognition guidance for industries such as agriculture, entertainment, contracting, financial services, real estate, and many more (Accounting Standards Codification [ASC] Topic 605, "Revenue Recognition").

If a revenue generating transaction falls under the category of any of the industry-specific or specialized revenue recognition guidelines in the US.GAAP Codification, the specialized guideline should be applied to the transaction. Otherwise, entities should adhere to the general guidance included in GAAP, including the four criteria for revenue recognition. Despite the numerous industry specific standards, there are still gaps in the guidance and there are not specified standards for all types of businesses and situations. (Fisher, 2014, Epstein, 2014, Ciesielski and Weirich., 2011) The reasons the FASB provided for undertaking the new revenue recognition standard include: (Epstein, 2014, Fisher, 2014, Hasanen and Talib, 2014).

- U.S. GAAP for revenue recognition consists of more than 100 standards by various standard setting bodies, standards that are hard to retrieve and sometimes inconsistent. Evolving business models make choosing among Industry- and transaction- specific guidelines confusing; several industries such as entertainment, airlines, and software have their own revenue recognition guidelines, but these three industries also have transaction-specific guidelines.
- Despite the large number of revenue recognition standards, little guidance is provided for service activities, the fastest growing part of the U.S. economy.
- Revenue recognition is a primary source of restatements because of application errors and fraud. Restatements decrease investor confidence in financial reporting.
- Financial statement users face non comparability among entities and industries, with little information to assist in identifying and adjusting for the differences.
- Accounting policy disclosures for revenue recognition are too general to be informative.
- Revenue data are highly aggregated, and users say they would like more details about specific revenue-generating activities.

2.2 Revenue Recognition under IFRS Standards

Revenue is an important measure of an entity's performance. It is used widely by investors and other users for making comparisons and investment decisions. Currently Under the initial IASB Conceptual Framework, entities were to recognize revenue based on two general assumptions: (Steele, 2012).

- The first was that, it would be probable that any future economic benefit associated with the sale of an item would flow to the entity. This assumption, which has remained unchanged, deals with the degree of uncertainty that the benefits will actually flow to the entity. The assumption and the assessment of the uncertainty are to be uniquely based on the evidence available when the financial statements are being prepared.
- The second was that, the cost or value of the item being sold can be measured with reliability. Under these two assumptions, Revenue is recognized when it is probable that future economic benefits will flow to the enterprise can be measured reliably

The revenue recognition guidance under IFRS is concentrated in two standards (IAS18, Revenue, and IAS 11, Construction Contracts) and three related interpretations (IFRS Interpretations Committee [IFRIC] 13, Customer Loyalty Programmers ; IFRIC 15, Agreements for the Construction of Real Estate; and IFRIC 18, Transfers of Assets from Customers). Revenue is defined in IAS – 18 as the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an enterprise when those inflows result in increases in equity, other than increases relating to contribution from equity participants. Revenue is recorded in fair value. This standard addresses revenues resulting from (1) the sale of goods, (2) the rendering of services, (3) the use by others of entity assets yielding interest, royalties, and dividends.

While the two basic assumptions listed above are still applicable, this standard offers additional guidance based on the type of revenue being recognized. For example, with respect to the sale of goods, an entity can recognize revenue when

all of following criteria are satisfied : (J.Gallistel et al., 2012, Bohusova and Nerudova, 2009)

- 1) The entity has transferred to the buyer the significant risks and rewards of ownership of the merchandise/goods/item.
- 2) The selling entity will no longer have a controlling ability over the good(s) or continuing managerial involvement.
- 3) The amount of revenue can be measured reliably.
- 4) It is probable that benefits will flow to the entity.
- 5) Cost of the transaction can be measured reliably.

The revenue relating to long-time contracts recognition and recording are the special areas of revenue recording in the IAS/IFRS. Revenue and costs associated with construction contracts are determined in the IAS 11 (Construction Contracts). The main issue is to match the contract costs and revenue to the accounting periods in which construction work is performed. This is the accrual basis application, the effects of transactions and other events are recognized when they occur and they are recorded in the period to which they relate. The Percentage of completion method and the Zero-profit method for revenue defining for revenue recognition and reporting can be used. The Percentage of completion method is used when the outcome of construction contract can be estimated reliably. Zero - profit method for revenue defining is used when the outcome of construction contract cannot be estimated reliably. (Bohusova and Nerudova, 2009).

However, the current IFRS Standards contain limited guidance on many important topics, such as accounting for arrangements with multiple elements. It is difficult understand and to apply to more complex revenue transactions other than the simple sales of goods or rendering of services, such as arrangements that contain variable considerations. Moreover, the existing Standards have only limited guidance on other emerging transactions such as licensing arrangements and warranties that include a service component. Thus, revenue recognition issues continue to arise as new types of transactions emerged. In addition, because the current international standards provide fewer specific requirements, companies

applying IFRS often pick and choose specific U.S. GAAP guidance to fill in the holes. (DALKILIÇ, 2014, Starczewski, 2013) Finally, the disclosures required under IFRS have been criticized as inadequate and inconsistent with the disclosures of other items in the financial statements. (Jones and Pagach, 2013, Steele, 2012) and the disclosure requirements in the current Standards are inadequate for investors to understand an entity's revenue, and the judgments and estimates made by the entity in recognizing that revenue. (Tong, 2015).

2.3 Revenue Recognition Convergence Project

The growth of cross-border investing and capital flows caused that the use of different national accounting systems makes difficult and costly for investors to compare opportunities and make financial decisions. Difference in national accounting systems imposes additional costs on companies that prepare financial statements based on multiple reporting models in order to raise capital in different markets. There are two significant systems of financial reporting (IFRS and US.GAAP) for world capital market use. The FASB and IASB believes there is a demand for international convergence primarily because investors' want high-quality, comparable financial information that will make decision-making easier in our increasingly global capital markets. (Bohusova and Nerudova, 2009).

Convergence is designed to bring U.S. GAAP and IFRS closer together. The main focus is on having similar general principles, and the overall objective is to create a sound foundation for future accounting standards that are principles-based, internally consistent and internationally converged. In September of 2002, the (FASB) and (IASB) signed the Norwalk Agreement, which proclaimed their intentions to eliminate differences between U.S. GAAP and International Financial Reporting Standards and to develop one set of high quality global accounting standards. One month after the adoption of the Norwalk Agreement the IASB and FASB issued a Memorandum of Understanding (MOU), which was updated in February of 2006. They have decided that the ultimate goal of the convergence is a single set of high-quality, international accounting standards that both domestic and

international companies can use, and eliminate differences between U.S. GAAP and IFRS.(DALKILIÇ, 2014, Hasanen and Talib, 2014).

The problem in the convergence between IFRS and USGAAP in approach, that U.S GAAP uses a rules-based approach for their accounting standards, while IFRS uses a principles-based, also known as an objectives-oriented approach. A rule based approach sets very specific rules that must be followed precisely in order to comply with the regulations. The IFRS' principle-based method, however, has a few specific rules but little guidance on how to implement them. It requires ethical professionals to make sure the financial statements fairly and accurately represent the principles. (DALKILIÇ, 2014, Hasanen and Talib, 2014, Steele, 2012) the (FASB) and (IASB) are working together on several joint projects. Shifting from a rules-based to a principles-based accounting framework will require more professional judgment on the part of financial statement preparer's decisions in areas involving accounting estimates, uncertainty, and inherent subjectivity. Further, the standards lack detailed guidelines, scope exceptions, and quantitative thresholds. (Myers et al., 2015, McCarthy and McCarthy, 2014).

Revenue is a significant part of an entity financial reporting, because The major revenue line item on the income statement is typically the largest amount reported and is a crucial number in assessing a company's financial performance (Kasztelnik, 2015), but Revenue recognition requirements in the US. GAAP differ from the IFRS revenue recognition principles, and both sets of requirements need to improve. So emerged the need for a new standard comprehensively improve the process of the recognition of revenue in order to develop a conceptual framework for recognition Revenue to improve the financial reporting process by addressing the lack of IFRS to the specific instructions for certain transactions and on the other side of excessive rules by US .GAAP in some areas and shortages in other and keep up with developments in the modern business environment. (DALKILIÇ, 2014, Hasanen and Talib, 2014).

To correct the inconsistencies and weaknesses in the current standards and to cater for the

emerging complex revenue transactions, the project on revenue recognition is one of the major joint projects that were put under the convergence work plan between the boards. A discussion paper (DP)-Preliminary Views on Revenue Recognition in Contracts with Customers was issued by the boards in December 2008. The DP introduced a single, contract based revenue recognition modal and the public were encouraged to raise their opinions and concerns over the newly proposed model. A total of 226 comment letters were received over the DP. After taking into account the public's comments, the first Exposure Draft (ED)-Revenue from Contracts with Customers was issued by the boards in June 2010. To clarify the newly proposed model, redefined concepts and indicators were introduced in the ED. The first ED received an overwhelming response from the public where close to a thousand comment letters were received. Owing to adverse public opinion, the ED was re-exposed in November 2011 to again invite comments on the clarity of the proposed model. In May 2014, the long-awaited standard (IFRS 15 vs. ASU 2014-09) Revenue from Contracts with Customers was issued by the boards. (Tong, 2015, Lim et al., 2015). The objectives of the new standard were as follows: (DALKILIÇ, 2014, Hasanen and Talib, 2014, Steele, 2012, Ciesielski and Weirich., 2011)

- 1) Remove inconsistencies and weaknesses in existing revenue requirements.
- 2) Provide a more robust framework guidance that would be useful in addressing revenue recognition issues that may arise in the future.
- 3) Improve comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets.
- 4) Provide more useful information to users of financial statements through improved disclosure requirements.
- 5) Simplify the preparation of financial statements by reducing the number of requirements to which an entity must refer.
- 6) Converging U.S. and international standards on revenue recognition

2.4 New Revenue Recognition Standard

Perhaps the major issue in the reporting of revenues in financial statements is that of timing, How are revenues properly associated with reporting periods? (Huefner, 2015) When the Boards were developing new revenue recognition standard, there are two possible approaches to revenue recognition:

- **First, earning process approach.** The earning process is used in the CON 5 – the revenue is recognized when payment is realized or realizable and the earning process is complete. The application of this approach had led to over 100 pieces of guidance on revenue recognition in the US GAAP. The earning process is not defined precise. The earning process model is applied inconsistently across similar transactions.
- **Second, assets and liability approach.** Revenue should be defined in terms of changes in assets and in liabilities. This model relies on the recognition and measurement of assets and liabilities to revenue be recognized. It focuses on the changes in assets and liabilities themselves to determine how much revenue to recognize, because the revenue itself is not able to be measured directly. (Steele, 2012, Olsen and Weirich, 2010)

The joint standard could take an asset-liability approach. This approach leads to more faithful and more consistent depiction of the underlying economics of transactions than the earning process model. It is consistent with the existing definitions of revenue under the IFRS and US.GAAP. (Holzmann, 2011) In using this approach a two-step process is applied. It starts with effective recognition of the contract assets and performance obligations arising from a contract and ends with derecognizing of the performance obligation. Under this model deferred debits and credits that do not meet the definitions of assets and liabilities are not recognized. When the entity uses the asset and liability approach revenue arises from recognizing and measuring increases in specified assets and decreases in specified liabilities. It means that all contracts with customers would be analyzed into contract assets (the right to receive

payment) and contract liabilities (the obligation to perform under the contract) and the amount of revenue to be recognized is determined by considering how much specified assets and liabilities change in a period. (Bohusova and Nerudova, 2009, Schipper et al., 2009).

The measurement of contracts assets and liabilities is fundamental to revenue recognition under this approach, because it affects how the entity depicts its financial position and financial performance in a contract. It is dependent on the rights and the entity's performance obligations. The rights could be measured by cash or cash equivalents promised for provision by customer to the entity. The performance obligations measurement is more difficult than measuring the rights. An entity could measure performance obligation on the basis of the amount of the "transaction price" at contract inception (Bohusova and Nerudova, 2009) the Boards were developing a revenue recognition model that would measure assets and liabilities at fair values (the so-called "fair value" or "measurement" model). Under this approach, the Boards tentatively agreed that performance obligations should be measured at fair value—that is, the price that the reporting entity would have to pay an unrelated party to assume legal responsibility for performing all of its remaining obligations. However, some Board members expressed concerns regarding the reasonableness of estimating non-observable prices (as is common in practice). Further, there were concerns regarding the pattern of revenue recognition under such a model. In light of these concerns, the Boards explored an alternative model—the customer consideration model. Under this model, performance obligations would be measured at an allocated customer consideration (i.e., transaction price is allocated to the performance obligations at contract inception based on the relative selling prices of each promised good or service). The joint standard could take the customer consideration model (Steele, 2012, Schipper et al., 2009).

The long awaited standard (IFRS 15 vs. ASU 2014-09) Revenue from Contracts with Customers has finally been jointly released by FASB and IASB in May 2014. The new revenue standard contains principles that an entity will

apply to determine the measurement of revenue and timing of when it is recognized. The core principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. Transfer is complete when the customer has control of the goods or services. Specifically, revenue is recognized as control is passed, either over time or at a point in time. Application of this guidance depends on the facts and a circumstance present in a contract with a customer and requires the exercise of professional judgment. (Holzmann and Munter, 2015, Huefner, 2015).

The scope of new revenue standard is most contract-based revenue transactions to provide goods or services to a customer that are an output of an entity's ordinary activities. The revenue standard applies to all contracts with customers, except for:

- lease contracts;
- insurance contracts;
- financial instruments and certain contractual rights or obligations within the scope of other standards; (1) receivables, (2) investments in debt and equity securities, (3) liabilities and debt, (4) derivatives and hedging, (5) financial instruments, and (6) transfers and servicing of financial assets.
- non monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers
- Guarantees (other than product or service warranties).
- Revenue from a transaction or event that does not arise from a contract with a customer is not within the scope of the revenue standard and should continue to be accounted for in accordance with other standards. Such transactions or events include, but are not limited to: dividends; changes in the fair value of biological assets.

To achieve this core principle, the standard established a five-step model. The five-step model has shifted from the concept of "risks and rewards" currently in practice to the "concept of control". Entities will follow a five-step approach

to apply the standard as follows: (Dyson, 2015, Tong, 2015, Benavides, 2015, Holzmann and Munter, 2014).

Step 1: Identify the contracts with customers. A contract is an agreement between parties that creates enforceable rights and obligations. It can be written, oral, or implied by an entity's customary business practice. An entity will apply the revenue standard to each contract with a customer when all of the following criteria are met:

- (1) The parties have approved the contract and are committed to satisfying their respective obligations;
- (2) The selling entity is able to identify each party's enforceable rights concerning the goods or services to be transferred;
- (3) The selling entity can identify the terms and manner of payment;
- (4) The contract has commercial substance (i.e., the risk, timing, or amount of future cash flows is expected to change as a result of the contract); and
- (5) the selling entity determines that, based on an analysis of the customer's ability and intention to pay, it is probable that the selling entity will collect the consideration to which it will be entitled, which may be less than the price stated in the contract if the consideration is variable (because the selling entity may be offering the customer a price concession).

The entity would account for two or more contracts together if the contracts are interdependent. A company would account for a single contract as two or more contracts if some goods or services are priced independently from other goods or services.

Step 2: Identify the separate performance obligations. A contract includes promises to provide goods or services to a customer. These promises are referred to as "performance obligations." A performance obligation can be explicitly stated in a contract or it can be implied. Customary business practices or published policies are two examples of implied performance obligations. The entity will need to determine whether promises to provide goods or services are distinct when there are multiple promises in a contract. This is important because

distinct performance obligations are the units of account that determine when and how revenue is recognized. A good or service is distinct only if:

- The customer can benefit from the good or service either on its own or together with other readily available resources (that is, the goods or services are capable of being distinct); customer can benefit from a good or service on its own if it can be used, consumed, or sold to generate economic benefits. And
- The good or service is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract). Determining whether a good or service is distinct within the context of the contract requires assessment of the contract terms and the intent of the parties. Indicators include, but are not limited to:
 1. The entity does not provide a significant service of integrating the individual goods or services in the contract into a bundle that is the combined item the customer has contracted to receive.
 2. The good or service does not customize or significantly modify another contractually promised good or service.
 3. The good or service is not highly dependent on or highly interrelated with other goods or services in the contract; therefore, a customer's decision to not purchase a good or service does not significantly affect the other promised goods or services in the contract

It is possible for promised goods and services to be combined and accounted for as a single performance obligation. When Goods or services that are not distinct should be combined with other goods or services until the entity identifies a bundle of goods or services that is distinct.

Step 3: Determine the transaction price.

The transaction price is the amount of consideration a company expects to receive from the customer in exchange for transferring goods or services. Entities must consider variable consideration, the time value of money, non cash

consideration, and consideration payable to the customer when determining the transaction price of a contract. If the consideration is variable, an entity must estimate the amount of consideration it is likely to be entitled to entity, excluding any amounts collected on behalf of third parties (for example, sales taxes). When determining the transaction price, an entity would consider the effects of all of the following:

- **Variable consideration:** Consideration can be considered variable when discounts, refunds, credits, incentives, contingencies, rebates, and other similar items are present in the contract. If the promised amount of consideration in a contract is variable, an entity would estimate the transaction price by using either the expected value (that is, probability-weighted amount) or the most likely amount, depending on which method the entity expects to better predict the amount of consideration to which it will be entitled.
- **Significant financing component (The time value of money):** An entity would adjust the promised amount of consideration to reflect the time value of money if the contract has a financing component that is significant to the contract. An entity would consider various factors in assessing whether a financing component is significant to a contract. Determining whether or not a financing component is significant often involves evaluating the amount of time between transfer of goods and payment of goods, whether the consideration would differ substantially if the customer promptly paid in cash, and the interest rate in the contract as compared to the market interest rates. As a practical expedient, an entity need not adjust the promised amount of consideration to reflect the time value of money if the entity expects at contract inception that the period between payment by the customer and the transfer of the promised goods or services to the customer will be one year or less.
- **Non cash consideration:** If a customer promises consideration in a form other

than cash, an entity would measure the non cash consideration (or promise of non cash consideration) at fair value. If an entity cannot reasonably estimate the fair value of the non cash consideration, it would measure the consideration indirectly by reference to the standalone selling price of the goods or services promised to the customer in exchange for the consideration.

- **Consideration payable to the customer:** If an entity pays, or expects to pay, consideration to a customer (or to other parties that purchase the entity's goods or services from the customer) in the form of cash, credit, or other items that the customer can apply against amounts owed to the entity, the entity would account for the consideration payable to the customer as a reduction of the transaction price unless the payment is in exchange for a distinct good or service

Step 4: Allocate the transaction price to the performance obligations. For a contract that has more than one performance obligation, an entity would allocate the transaction price to each performance obligation at an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation. In other words, an entity would allocate the transaction price to each performance obligation on a relative stand-alone selling price basis. The best evidence of a stand-alone selling price is an observable price at which a good or service is sold separately by the entity. If the good or service is not sold separately, an entity will be required to estimate its selling price by using an approach that maximizes the use of observable inputs. Acceptable estimation methods include the expected cost plus a margin approach, the adjusted market assessment approach, or the residual approach.

Step 5: Recognize revenue when a performance obligation is satisfied. The entity would recognize revenue when it satisfies a performance obligation by transferring the promised good or service to the customer. For each separate performance obligation, the entity would determine whether the entity satisfies the

performance obligation over time by transferring control of a good or service over time. Revenue is recognized over a period of time when a) the customer receives a benefit, as the services happen, b) that enhances an asset that the customer controls, or c) that does not create an asset with alternative use but there is a payment right for services to date. If a performance obligation is determined to be satisfied over time, the entity must measure progress toward its satisfaction. The objective in measuring progress is to depict the transfer of control of the goods or services to the customer, by both output methods (e.g., units produced) and input methods (e.g., costs incurred, machine-hours used) are allowed. Recognizing revenue at a point in time is done. If the entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. To determine the point in time when a customer obtains control of a promised asset and an entity satisfies a performance obligation, the entity would consider indicators of the transfer of control that include, but are not limited to, the following (the seller having the right to receive payment, the customer having legal title and physical possession of the asset, the customer formally accepting the asset, and the customer assuming the risks and rewards of ownership).

Because several issues may exist beyond applying the five steps of the model. The revenue standard provides guidance in the following areas to assist entities in applying the model as (Rights of return, licensing intellectual property, Principal versus agent consideration, consignment arrangements, non-refundable upfront fees, unexercised rights, Repurchase agreements, etc). The new standard will add substantially to the already-extensive set of required disclosures to be made in the financial statements, In order to assist the users of financial statements to understand the amount, timing and uncertainty of revenue and cash flows, the increased disclosures under the revised standard include information about contracts with customers and information about various judgments and changes in those judgments effected during the reporting period.

The boards decided to delay its effective date in order to give companies additional time to

make the necessary changes, For U.S. public entities, and the standard will take effect for annual reporting periods ending after December 15, 2016, including interim periods within (2017 calendar year filers). For U.S nonpublic entities, the standard will take effect for annual reporting periods beginning after December 15, 2017 and interim periods within (2018 calendar year reporting companies). A nonpublic entity may elect to apply the guidance earlier than the effective dates, however, no earlier than the public entity effective date. For those entities using IFRS, the standard will be applied for reporting periods beginning on or after January 1, 2017. Although early adoption is prohibited under U.S. GAAP, the IASB has agreed to permit early adoption of the final standard. In 2015 the boards defer the effective date of the new standard to 2018. An entity can apply the revenue standard retrospectively to each prior reporting period presented (full retrospective method) or retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application in retained earnings (simplified transition method). (Marshall, 2014).

Finally, the challenge faced by users of this guidance will be achieving a successful understanding and transition to this new standard. Because Once implemented, the new standard has the potential to impact key financial measures, require design changes to information and control systems, and result in the development of new estimation processes for a wide variety of companies.(Huefner, 2015).

2.5 Revenue Recognition Standards in Egypt

In Egypt, there are two standard for revenue recognition EAS No. 11 equivalent IAS (18) entitled "Revenue" and EAS No.18 equivalent IAS (11) entitled "Construction Contracts". This standards has been applied with the start of the adoption of the first group of Egyptian standards on the basis of the decree issued by number (243) for 2006 as and Minister of Investment issued new Egyptian Accounting Standards and these standards replace accounting standards that are being applied and the previously-released in 1997 by decree No. (503), and was amended in 2002 by decree No. (345). Maligned on the Egyptian

standards that have been issued without the institutional framework illustrates a mechanism to ensure updated keep pace with changes in international standards. As a result, there will be a gap between the Egyptian and international standards have a negative impact on Egyptian business environment.

Egyptian standards issued in 2006 to achieve convergence between the Egyptian and international accounting practices because these standards apply as of January 2007, and it also reflected the obstacles to achieve consistency between the Egyptian accounting standards and international accounting standards as a result of the contradiction between Egyptian environmental variables and the variables upon which international accounting standards were developed. Because the mechanisms used to achieve convergence between local standards and international standards are based on the method of big rush or one rush by issuing a set of standards binding by decisions of the government and phased or step-by-step application is not with aim of achieving consistency with international accounting standards as soon as possible. The requirements of the application new standard (as IFRS15) in Egypt can be formed of the following:(Hasanen and Talib, 2014)

- 1) Holding of specialized courses by professional associations in how to apply the IFRS in a way consistent with the requirements of the Egyptian local environment.
- 2) The professional institutions explained and connected all aspects related to the application of the IFRS.
- 3) The audit firms involved their employees in developmental courses on how to apply the IFRS and the associated issues.
- 4) The companies that they should apply the IFRS involved their employees in the financial sections in the specialist courses in this area.
- 5) The Egyptian Stock Exchange and Securities Commission compel companies listed on the stock market to apply the IFRS and put a dead line for that.

It is important that the implementation of this new standard is free from ambiguity and is robust to be applied across different sectors. A

glance at IFRS 15 revealed that it is far lengthier than the current revenue standard, IAS 18–Revenue. Evolving from the 10-page standard, the new IFRS 15 comes close to 40 pages of prescriptions and accompanied by a 175-page Basis for Conclusions. As a result, it is expected that the total amount of guidance provided in the new standard will be much more precise than before and the standard might be more difficult and complex when comes to implementation. (Lim et al., 2015) Overall, the new revenue recognition standard is a principles-based standard that would require the greater use of professional judgment in assessing a company's performance obligations and when these obligations are satisfied. In addition, this guidance would also require companies to disclose more information about its contracts with customers than currently required. This should lead to considerable changes in companies' information technology and data gathering processes. All companies should begin an assessment of whether their systems and processes are capable of addressing these increased disclosure requirements. For investors, the revenue recognition standard represents convergence between IFRS and US.GAAP, allowing for easier comparisons of companies. The implementation of the revenue recognition standard has the potential to impact all levels of an organization, including accounting, legal, tax, and information systems. Although the actual implementation is still in the future, now is the time for all Preparers and Auditors to gain a thorough understanding of the new recognition and disclosure requirements and prepare to implement them. Employees throughout entities will need to learn the requirements. Creditors and other financial statement users will need to be educated about the impact of the new rules on balance sheets and operating results. Systems and controls might need to be revised. Entities policies and disclosures about revenue recognition likely will need to change, and incentive compensation arrangements tied to revenue may need to be changed. (NICOLAE and IONELA-CLAUDIA, 2014)

We should test suitability or relevance of the new standard for revenue recognition in developing countries, as Egypt. Because it

applying the international financial reporting standards, which It involves a great deal of flexibility through multiple alternatives to allow management to rely on a great deal of personal judgment and choice. It also includes general guidance and multiple alternatives for measurement and recognition hence can be applied in various fields. This requires a highly qualified and trained professional accountant and auditor to interpret and apply the new standard for revenue recognition in a consistent manner. So that, the preparers and auditors of financial statements need to understand the new revenue recognition standard requirement, benefits, potential impacts of the application of the new standard and the problems and difficulties that may face them when applying the new standard. Because the new standard introduces a new and unfamiliar way to revenue recognition which is likely to lead initially to errors under the presence of some vague and new terminology in the new standard, which may require more detailed guidance

3. The Methodology

In current study, we will be followed, the same methodology followed in the study (Lim et al., 2015), but application in Egypt. The main objective of the study is to examine the perception differences between preparer's and auditors on level of familiarity, standard clarity and ease of application across different business sectors in Egypt. Auditors and preparers (which consist of chief accountants, account executives and etc.) are selected as the target respondents of the study due to the reason that they are the "front line" accountants who will be affected if there are any policy changes. However, perception differences are expected between these two groups of accountants as their job nature is different. While preparers focus on preparing the financial statements in accordance with the accounting pronouncements, auditors focus on whether the drafting the standard and on the level of tolerance on ambiguity in the standard might be different. IFRS 15 revealed that it is far lengthier than the current revenue standard, IAS 18–Revenue. Evolving from the 10-page standard, the new IFRS 15 comes close to 40 pages of prescriptions⁶ and accompanied by a

175-page Basis for Conclusions. As a result, it is expected that the total amount of guidance provided in the new standard will be much more precise than before and the standard might be more difficult and complex when comes to implementation (Lim et al., 2015)

The current study was based on a through the following steps:

- First, the researcher conducting personal interviews with the participants in order to give them a briefing on the new revenue recognition Model and measurement, disclosure requirement and the main points of the five steps model to recognize revenue.
- Second, provide a case study where they were required to apply IFRS 15 in solving the financial reporting problem of a entity, to determine the revenue is recognized in accordance with current practice, and in accordance with the requirements of the new standard, indicating the impact of changes in the requirements for the recognition of revenue on the amount and timing of revenue recognized.
- Third, the participants were then asked by the questionnaire to state their level of familiarity with the standard, their perception on the level of clarity of the prescribed concept of standard and the ease of applying the new revenue model across different business industries, after case study

After data screening, the final sample of the study consisted of 34 preparers and 31 auditors, a majority of the participants (88.3%) were from local accounting firms or Listed companies operating in various business sectors. Both the auditors and preparers are experienced accountants with mean years of experience of 7.6 and 8.56 years respectively.

4 Result and Discussion

As previously mentioned study has been performed on three steps. In the first step, we made personal interviews by directed questions to the participants for their opinion on the current standards for the recognition of revenue and the extent of their knowledge of the issuance of a new standard for the recognition of revenue. Then participants were given a summary of the most important terms and concepts contained in the new standard, as well as how to apply the new

standard in order to be moving to the next step. Participants believed that the new standard will lead to a new and unfamiliar method of revenue recognition, likely leading to initial misstatements and users of the statements will need a period of adjustment to understand the implications of the new standard. This may lead to an initial period of stagnation in investment as investors make sense of new statements, or take a wait and see approach to the implications of the new standard. While there are many positive elements of the new revenue recognition model, there are also some causes for concern. For instance, implementation of the new standard could prove to be difficult because companies must retrospectively implement the new model. Retrospective implementation could be very complex, time-consuming, and costly for some companies. Companies that heavily rely on industry-specific revenue recognition standards will likely experience the most challenges in implementing the new model. Implementation will also be more complex for companies that have many different types of contracts with differing terms and conditions such as (construction, real estate, telecommunication and software). As well as the amount of professional judgment that is involved in applying many of the new revenue recognition rules. For example, there is a large amount of judgment involved in determining the transaction price for a performance obligation under the new model. If the consideration is variable, entities must determine an estimate of the amount of revenue it expects to be entitled. Entities must also use judgment to determine whether or not a financing component included in a contract is significant enough to adjust the transaction price to reflect the time value of money. Determining which performance obligations should be considered separate, which performance obligations should be bundled together, and how to allocate the transaction price among the obligations also requires a lot of judgment.

In the second step, give the participants a case study in Telecommunications Industry to illustrate how revenue would be recognized under the current and new Standard because telecommunication industry is likely to be significantly affected by the adoption of the new

revenue standard due to [its] widespread use of bundled contracts that include ... equipment (i.e., a phone) and a service (i.e., voice and data service). In a case study, participants found that the impact of changes in the amount and timing of revenue recognition as a result of adopting the new standard may be significant to entities and will vary based on the performance obligations identified in the contract and the allocation of the transaction price to those performance obligations.

In the third step, The participants were then asked to state their level of familiarity with the standard, their perception on the level of clarity of the prescribed concept of control and the ease of applying the new revenue model across by a questionnaire, which included some questions such as:

- How will IFRS 15 affect existing contract terms, pricing policies or stand-alone prices?
- Should any changes be made to sales practices? If so, how will such changes affect the sales force?
- Is the current IT system capable of collecting the necessary data for the new reporting requirements?
- Is it necessary to develop new IT systems and/or manual processes for new data accumulation?
- Is there a need to change compensation plans affected by revenue?
- What type of training should be offered to preparers, auditors and affected stakeholders?
- When will accounting policies and procedures be updated to comply with IFRS 15?
- Are processes and controls in place to capture new information required to support estimates and judgments?
- Is there easy access to the information required to satisfy the new disclosure requirements?
- Is it easy to apply the concept of control and five steps model across different business industries?

An analysis of the level of familiarity with IFRS 15 revealed that the participants are not familiar with IFRS 15 although the standard had

been issued by the boards for more than a year. In general, the level of familiarity with the new revenue standard of the total sample recorded a mean of 2.31 over the scale of 5 (with 1 indicating 'not familiar' and 5 indicating 'very familiar' and the same pattern of scale for the rest of the questions) and with a standard deviation of 1.254. A closer analysis on the level of familiarity between the two groups also did not show much difference. This is further supported by the independent-samples t-test results that there is no difference in terms of level of familiarity with IFRS 15 between the groups of auditors and preparers. One potential explanation for the findings might be due to the Egyptian standards that have been issued without the institutional framework illustrates a mechanism to ensure updated keep pace with changes in international standards. So a lot of participants do not have any knowledge of or familiar with the issued of a new standard for the recognition of revenue.

Table 1
Level of familiarity with IFRS 15

	Preparerarss	Auditors	Total sample
N	34	31	65
Mean	2.38	2.24	2.31
Median	2.5	2.5	2.5
Std. dev	1.265	1.311	1.254
Variance	1.60	1.718	1.971

Regarding the perception on the clarity of the concept of control and five steps model to recognize revenue in IFRS 15 and the ease of its application across different business industries, the respondents of the study perceived that the concept of control and five steps model prescribed in IFRS 15 is moderately not clear (a mean of 2.11 over a 5-point scale). It implied that the respondents have no confidence that the concept will be a robust concept when comes into practice and most of the accountants perceived that the level of clarity of the concept of control might need to be improved. That there is no difference between auditors' and preparers' perception towards the level of clarity of the concept of control and five steps model that is prescribed in the standard. One potential explanation for the findings might be attributed to the reason that IFRS 15 is a principles-based

standard that would require the greater use of professional judgment in assessing a entity's performance obligations and when these obligations are satisfied etc and the standard is not easy to be applied across different business sectors, as well as the participants unfamiliarity with the standard.

Table 2

Level of clarity and ease of application			
	Preparerarass	Auditors	Total sample
<i>N</i>	34	31	65
Mean	2.14	2.8	2.11
Median	2.5	2.5	2.5
Std. dev	1.151	1.267	1.213
Variance	1.324	1.605	1.471

Results of the study revealed that Egyptian accountants and auditors are still not ready to adopt IFRS15 and they perceived that the standard is not easy to be applied across different business sectors. Relevant training and education programs are important for preparers and auditors to get a thorough and deeper understanding of the conceptual underpinning of the standard to its application across different industries.

5. Conclusions

In May 2014, the (IASB) and (FASB) jointly issued converged standard Revenue from Contracts with Customers (IFRS 15 under IFRS and ASU 2014-09 (Topic 606) under U.S. GAAP), supersedes existing standards and interpretations related to revenue and is mandatory effective for annual periods beginning on or after January 1, 2017, with earlier application permitted under IFRS. The new standard IFRS15 would correct the weaknesses and deficiencies that are apparent in the current IFRS and US.GAAP on revenue recognition topic. The five-step approach to revenue accounting would result in systematic and consistent revenue recognition, and thus enhances the comparability characteristic of financial statements. Entities should be assessing their current systems and processes to determine the changes that they will need to make in order to comply with the new approach. For some entities, the new standard will have a significant impact on the entire entities, resulting in changes in how and

when revenue is recognized, and will require the adoption of new systems and processes. For other entities, the transition may be more limited because the extent of the impact on an individual entity will vary depending on the complexity of revenue arrangements, contract-specific terms and conditions, systems already in place and other entity specific facts and circumstances.

Findings of the study revealed that although the standard being issued by the boards for a substantial period of time, most of the Egyptian Preparers and auditors sampled aren't yet to have a consistent and deep understanding of the new revenue standard as they are still unfamiliar with the new IFRS 15 and they believe the concept of IFRS15 not clear and difficult to apply across different business sectors in Egypt. Relevant training and education programs are important for preparers and auditors to get a thorough and deeper understanding of the conceptual underpinning of the standard to its application in a true and fair manner.

The researcher recommends taking the following steps before adopting the new standard:

- For academic institutions through the Egyptian universities, there is a need to update and develop the accounting courses, including the teaching of new requirement in IFRS 15, along with the role of these institutions in the preparation of training programs for accountants to improve their knowledge about new standard and how to apply it.
- For professional organizations, there is a need to develop the culture and knowledge of its members from the accountants in all aspects related to the application of IFRS 15, and through the establishment of specialized courses in this area.
- For audit firms, there is a need to develop skills and knowledge of its employees and continuing education and training to develop the knowledge of its members new in the international financial reporting standards.
- For the Egyptian Stock Exchange and the Capital Market Authority, there is a need to prepare educational and cultural publications for investors, financial

analysts and others about the new requirements for the recognition of revenue and the disclosure requirements and their impact on the financial statements

Future research might want to examine the relevant issues associated with IFRS 15 as (the impact of IFRS 15 on transparency of financial reporting, the relationship between IFRS15 to recognize revenue and earnings management and the effect of IFRS 15 on Analysts forecast accuracy).

References

- Benavides, L. 2015. Flattening The Revenue Recognition Standard. Ssrn 2597787.
- Bohusova, H. & Nerudova, D. 2009. Us Gaap And Ifrs Convergence In The Area Of Revenue. *Economics & Management*, Pp. 12-19. Retrieved March 2, 2014.
- Ciesielski, J. T. & Weirich, T. R. 2011. Revenue Recognition: How It Will Impact Three Key Sectors. *Journal Of Corporate Accounting & Finance*, 26, 31-39.
- Ciesielski, J. T. & Weirich., T. R. 2011. Convergence Collaboration: Revising Revenue Recognition. *Management Accounting Quarterly*, 12(3), 18.
- Colson, R. H., Bloomfield, R., Christensen, T. E., Jamal, K., Moehrle, S., Ohlson, J., Penman, S., Stober, T., Sunder, S. & Watts, R. L. 2010. Response To The Financial Accounting Standards Board's And The International Accounting Standards Board's Joint Discussion Paper Entitled Preliminary Views On Revenue Recognition In Contracts With Customers. *Accounting Horizons*, 24, 689-702.
- Dalkiliç, A. F. 2014. The Real Step In Convergence Project: A Paradigm Shift From Revenue Recognition To Revenue From Contracts With Customers. *Economics And Administrative Sciences*, 4(3-4), 67-84.
- Dyson, R. A. 2015. Case Studies In The New Revenue Recognition Guidance. *The Cpa Journal*, 85(3), 22.
- Epstein, B. J. 2014. Revenue Recognition: A White Paper On Fraud And Financial Reporting Risk. <http://www.auditorliability.com/wp-content/uploads/2013/12/White-Paper-Revenue-Recognition-Fraud-Epstein-121713.Pdf>.
- Fisher, K. 2014. A New Model For Revenue Recognition: Key Changes To Generally Accepted Accounting Principles. Available At Ssrn 2438118.
- .Hasanen, S. H. M. & Talib, D. M. A. M. A. 2014. A Proposed Model To Address Convergence Determinants, Ifrs & Fasb: Measurement & Disclosure Of Revenue Recognition "The Case Of Egypt". *International Journal Of Academic Research*, 6, 269-285.
- Holzmann, O. J. 2011. Revenue Recognition Convergence: The Contract-Based Model. *Journal Of Corporate Accounting & Finance*, 22, 87-92.
- Holzmann, O. J. & Munter, P. 2014. New Revenue Recognition Guidance. *Journal Of Corporate Accounting & Finance*, 25, 73-76.
- Holzmann, O. J. & Munter, P. 2015. Challenges In Achieving Convergence Between U.S. Gaap And Ifrs-The Case Of The Revenue Recognition Standard. *Journal Of Corporate Accounting & Finance*, 26, 101-106.
- Huefner, R. J. 2015. The Impact Of New Financial Reporting Standards On Revenue Management. *Journal Of Revenue And Pricing Management*, 15, 78-81.
- J.Gallistel, D., Phan, T., Bartlett, G. D. & Dodd, J. L. 2012. Iasb & Fasb Convergence Project Revenue Recognition. *Drake Management Review*, (2), 1.
- Jones, J. P. & Pagach, D. 2013. The Next Step For Revenue Recognition, Examining The New Principles-Based Five-Step Model. *Cpa Journal*, 83(10), 30.
- Kasztelnik, K. 2015. The Value Relevance Of Revenue Recognition Under International Financial Reporting Standards. *Accounting And Finance Research*, 4.
- Lim, Y., Devi, S. S. & Mahzan, N. 2015. Perception Of Auditors And Preparers On Ifrs 15: Evidence From Malaysia. *Advanced Science Letters*, 21, 1781-1785.
- Marshall, B. H. 2014. Revenue Recognition: A Whole New World. <http://goo.gl/D6yycq>.
- Mccarthy, M. & Mccarthy, R. 2014. Financial Statement Preparers' Revenue Decisions:

- Accuracy In Applying Rules-Based Standards And The Iasb-Fasb Revenue Recognition Model. *Journal Of Accounting And Finance*, 14(6), 21.
- Myers, L. A., Schmardebeck, R., Seidel, T. A. & Stuart, M. D. 2015. Increased Managerial Discretion In Revenue Recognition And The Value Relevance Of Earnings. Available At Ssrn 2559438.
- Nicolae, E. & Ionela-Claudia, D. 2014. International Accounting Treatment Regarding Revenue. *Annals-Economy Series*, 4, 124-128.
- Olsen, L. & Weirich, T. R. 2010. New Revenue-Recognition Model. *Journal Of Corporate Accounting & Finance*, 22, 55-61.
- Schipper, K. A., Schrand, C. M., Shevlin, T. & Wilks, T. J. 2009. Reconsidering Revenue Recognition. *Accounting Horizons*, 23, 55-68.
- Srivastava, A. 2013. Selling-Price Estimates In Revenue Recognition And The Usefulness Of Financial Statements. *Review Of Accounting Studies*, 19, 661-697.
- Starczewski, L. 2013. Revenue Recognition: Ten Top Changes To Expect With The New Standard Bloomberg Bna.
- Steele, C. A. 2012. The Convergence Of Us Gaap And IFRS: Revenue Recognition. Honors Theses, 1- 87.
- Tong, T. L. 2015. A Review Of IFRS 15 Revenue From Contracts With Customers. [Http://Goo.Gl/Xnv4ke](http://Goo.Gl/Xnv4ke).