

University of Texas of the Permian Basin

FalconCommons

College of Business

Dissertations & Theses

Summer 8-2012

Mandatory Adoption of International Accounting Standards in Germany: Financial Statement Effects

Sarah Wagemann

University of Texas Permian Basin

Follow this and additional works at: <https://falconcommons.utpb.edu/utpb-bus>



Part of the [Accounting Commons](#), [Accounting Law Commons](#), [Business Intelligence Commons](#), and the [International Business Commons](#)

Recommended Citation

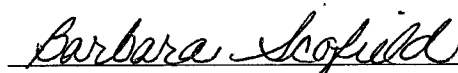
Wagemann, Sarah, "Mandatory Adoption of International Accounting Standards in Germany: Financial Statement Effects" (2012). *College of Business*. 1.

<https://falconcommons.utpb.edu/utpb-bus/1>

This Thesis is brought to you for free and open access by the Dissertations & Theses at FalconCommons. It has been accepted for inclusion in College of Business by an authorized administrator of FalconCommons. For more information, please contact pappas_j@utpb.edu.

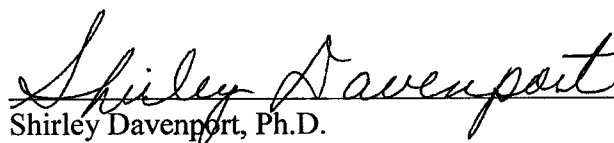
MANDATORY ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS
IN GERMANY: FINANCIAL STATEMENT
EFFECTS

APPROVED BY SUPERVISORY COMMITTEE:



Barbara Scofield, Ph.D.

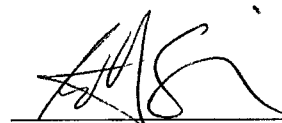
Chair



Shirley Davenport, Ph.D.



Wilma Dye, Ph.D.



Roland Spickermann, Ph.D.

Graduate Faculty Representative

MANDATORY ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS
IN GERMANY: FINANCIAL STATEMENT
EFFECTS

By

SARAH WAGEMANN, B.B.A.

THESIS

Presented to the Graduate Faculty of Accounting

The University of Texas of the Permian Basin

In partial Fulfillment

Of Requirements

For the Degree of

MASTER OF PROFESSIONAL ACCOUNTANCY

THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

August 2012

Abstract

This paper addresses the mandatory adoption of International Financial Reporting Standards (IFRS) in Germany in 2005. The financial statement effects and the variability of key accounting measures are analyzed under the German Commercial Code (*Handelsgesetzbuch – HGB*, German GAAP) and IFRS. I find that book value of equity and net income are slightly larger under IFRS than under German GAAP which reflects the fair value orientation of IFRS. Only weak evidence exists that the mandatory adoption of IFRS results in significant accounting differences unlike the results found in financial statements of German firms that voluntarily adopted IFRS.