
Accounting standards that appeal to the professional judgment: a threat or an opportunity for the accounting profession?

Alain BURLAUD,
Conservatoire national des arts
et métiers (Cnam), Paris,
E-mail: alain.burlaud@cnam.fr

Maria NICULESCU,
Ecole Supérieure de la Francophonie pour
l'Administration et le Management (ESFAM), Sofia,
E-mail: maria.niculescu@auf.org

Abstract

The international accounting standards (IFRSs and ISAs) rely increasingly more on the “professional judgment”. What is the situation in France and in Romania? After the conceptual clarifications, the article places the evolution of the professional judgment in the general movement of the law, which goes from “modernism” to “post-modernism” to become a law of specialists able to have a qualified opinion on highly technical subjects.

In order to observe, in a scientific manner, this evolution of the accounting standards, we conducted a content analysis of principal legislative accounting texts, international and national (France and Romania), supplemented by a lexicometric analysis. These analyses allowed us to conclude that the importance of professional judgment in accounting standards is lower at the national level than it is at the international level. However, we highlight a number of dangers related to an increased use of professional judgment: loss of comparability and transparency, increased risks for accounting professionals including auditors, and significant discrepancies in the use of professional judgment in individual or consolidated accounts.

Keywords: Professional judgment, accounting standards, accounting law, modern law, postmodern law.

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