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Comparative characteristics of accounting models

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Abstract. The relevance of this study lies in the need to investigate evolution of accounting practices and influence of economic, political, and social factors on them over time. Investigating the evolution of accounting practices is essential to gain insight into the historical context of how accounting has adapted to the changing circumstances. This knowledge helps appreciate the foundations of modern accounting and identify the reasons behind current practices. The purpose of this study was to compare the types of accounting models and to consider their impact on the present accounting systems. Among theoretical research methods, which formed the basis of this study, are methods of qualitative data processing and prognostic methods. Key element of the research methodology is the historical-theoretical part, which involves the study of accounting models of different groups of countries, considering the connections and interdependencies between them. It was concluded that the development of accounting models was affected by various factors that lead to distinguishing certain types with their own characteristics: Continental (with strict laws and conservatism); Anglo-American (limited intervention in accounting regulation); South American (adaptation to high inflation and simple accounting system) and Islamic (compliance with religious principles and lack of diversity in accounting). The orientation of the information is different for every separate model. The continental model is intended for state needs and the provision of reports; the Anglo-American model is for the needs of investors, stock market participants and the requests of creditors; the South American one is focused on state regulation and taxation of economic activity; Islamic is for state and economic regulation and religious principles. The study of both the rudimentary state and the modern application of the international accounting system plays an important theoretical and practical role for the development of accounting and taxation area. Practical value of the study is that the research results and discussions enhance better understanding the nature of modern accounting practices, provide insight into how changes in business processes, cultural norms, as well as legal and regulatory frameworks shaped accounting practices and systems

Keywords: accounting systems; Anglo-American model; Continental model; South American model; Islamic model

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Introduction

Understanding the history of accounting and development of accounting models, which defined the foundations of the accounting system of certain areas and states, is essential for researchers. The relevance of the subject under study has been in the focus of scientists due to the current processes of convergence and harmonization in accounting systems. Over 100 national accounting systems have been developed throughout history. As early as 1977, a group of UN experts analysed the accounting practices of 46 countries (Bogáth, 2018). According to the author E. Bogáth (2018), the experts concluded that the national accounting systems in various countries differ in their organizational structure, the composition and number of objects and subjects, the type of relationships between them, the level of comparability of accounting information, and the scope and nature of the relationship with the external environment. Recent studies show that no two countries have identical accounting systems. Even though accounting practices are generally similar, there are many significant differences. The difference in accounting systems can be attributed to many factors (Evdokimov *et al.*, 2012).

Countless researchers examined criteria for grouping of countries or nation according to accounting similarities. Thus, M.I. Skrypnyk & O.O. Grigorevska (2017), N.S. Akimova *et al.* (2016) T.A. Naumova and others compared the models and investigated which countries incorporate them. The latest research on the subject under study includes the work of T.O. Dovhanets (Moshkovska & Dovhanets, 2019), who examined the Continental Model. Attempts to analyse the accounting models and highlight the features of implementation some aspects in Ukraine have been made in the studies of A.A. Frolova (2018), V. Tsaruk (2019), L.V. Tovkun (2019), O.O. Nesterenko (2019), V. Ilin & S. Kuzmych (2020), D. Lubinets (2018).

The explanations regarding the causes of the accounting systems multiplicity and also their classification by some experts in compared accounting systems has constituted a strongly debated issue in the second half of the 20th century (Valeriu, 2010). According to E. Eromonsele (2017), the accounting classifications have always sparked interest among the researchers and practitioners either to explain the major differences which exist in the case of apparent accounting options due to cultural influences, or to compare the countries which have the scope of accelerating international harmonization.

G. Mueller *et al.* (1997) states that no two countries have identical financial accounting practices; hence each country is a unique mixture of environmental variables that collectively have influenced the pattern of accounting development in that country. Authors grouped accounting into three major models based on certain distinguishing features of accounting, with close identification of national patterns that conform to the identified features such as Legal Compliance Model, Fair Presentation Model, and Inflation-Adjusted Model.

The purpose of this study was to compare the Continental, Anglo-American, South American and Islamic

accounting models and to consider their impact on the current accounting systems.

Materials and Methods

The main components of the given research methodology are the theoretical-methodological part, based on which the research methodology is built, and the historical-theoretical part, which involves the study of accounting models of different groups of countries, taking into account the connections and interdependencies between them.

The study is built on the basis and results of theoretical research methods, among which focus is on methods of qualitative data processing and prognostic methods. As part of the methods of qualitative data processing, techniques of classification, differentiation, and categorization were used based on selected features and criteria of the legal, social, and political environment of the countries. Among the prognostic methods, there were used such methods as the information method and the method of morphological analysis. The information method made it possible to ensure quick and effective obtaining of information from various sources regarding the essence and historical differences in accounting models, including from scientific articles, collections of scientific articles, monographs, etc. The method of morphological analysis, considering the analytical and synthetic approach, allowed identifying separate groups of countries and conducting a comparative analysis of accounting models, their features of accounting information orientation, with a corresponding generalization of the obtained data.

Among the spectrum of general scientific methods, induction and deduction were used in this study. The induction method made it possible to study the accounting models of individual countries and to find out in them essential features that are characteristic only of a selected class of models. With the help of the deduction method, the research process was structured and formalized.

The theoretical basis of the research consists of concepts and definitions of accounting models and standards in the relevant scholarly literature, existing theory in works of both Ukrainian and foreign scientists. Thus, this paper considered the scientific studies of N.S. Akimova *et al.* (2016), Evdokimov *et al.* (2012), V.G. Glotova (2017), I.V. Orlov & D.O. Hrytsyshen (2017), M.I. Skrypnyk & O.O. Grigorevska (2017) and D. Lubinets (2018). Among foreign scholars, it is worth to highlight works of A. Unegbu (2014), Eromonsele E. (2017), A. Hellmann *et al.*, (2013), B. Valeriu (2010).

Results and Discussion

The result of 15th century accounting is the creation of double-entry bookkeeping. Its creator, Luca Pacioli, an Italian mathematician and monk, described the method of double-entry bookkeeping in his book *Summa de arithmetica, geometria, proportioni et proportionalita* (*Summa of arithmetic, geometry, proportions and proportionalities*),

published in 1494 with B. Cotrugli. In the third chapter of their work, *Tractatus XI Particularis de computis et scripturis* (Independent treatise XI on accounts and documents) deals with the regulation and documentation of double-entry bookkeeping. It defines the formal requirements and types of documents, which are: memorandum (an event is recorded immediately, especially in larger enterprises), journal or *primanota*, general ledger, inventory of assets, balance sheet (Unegbu, 2014).

By the end of the 17th century, an Italian type of accounting had emerged in which synthetic and analytical data were added to the accounts. J. Savary, a French accountant, devised a system of record-keeping and divided the accounts into synthetic and analytical parts. On this basis, he developed a class of accounts which helped several types of accounting to evolve. (Unegbu, 2014)

The first English accounting book was prepared by H. Oldcastle, in which he distinguished two sides to each account: debit and credit. In English-speaking countries, the Anglo-American form of accounting was developed. American accountants proved that profits did not reflect the realistic results of economic activity. Two types of accounting were distinguished: managerial and financial (Unegbu, 2014).

The accounting of different countries is determined by their history, the application and regulation of accounting methods, the control of the activities of legal entities. The national accounting system of a given country is the result of the formation and development of its legal, social and political environment.

Nowadays, every country in the world has its own accounting system, characterised by codes, laws, national standards, regulations, national accounting plans and specific methodologies. In 1994, Gernon and Mick Müller divided accounting models into four groups, which were supplemented by a new model of modern accounting (Akimova *et al.*, 2016).

Anglo-American (Anglo-Saxon, British-American) accounting system. The Anglo-American accounting standards were created by the G4+1 countries: the USA, the UK, Australia, Canada, and New Zealand. 40 countries use it: USA, Great Britain, Australia, Zimbabwe, Israel, India, Ireland, Canada, Cyprus, Mexico, New Zealand, Venezuela, Iceland, Panama, Tanzania, Uganda, Fiji, Philippines, Central America countries, Jamaica, Ghana, Zambia, etc. (Orlov & Hrytsyshen, 2017).

The Anglo-American accounting system is internationally accepted and compatible regarding the economic content, processing and accounting methods of information.

At the end of the 20th century, extremely strict rules applied to accounting in the USA. In industrialized England in the 19th century, an Anglo-Saxon accounting system was already present, the purpose of which was risk sharing among investors. Shareholders demanded the statistics and financial reports of large companies. By the end of the 19th century, industrialization also took place in the USA. In both countries, the conviction has developed that the

accounting settlement does not correspond to the determination of the tax base. The centre of this system was the distribution of information and adequate information of the capital market.

The task of the Financial Accounting Standards Board, established in 1973, was to create US-GAAP. The FASB is an independent body that adopted 140 standards between 1973 and 2000. US-GAAP regulates the accounting principles, methods, and all processes of accounting by organizations since there is no legal regulation of accounting in the USA.

From the 20th century onwards, there are many auditing organizations that play a significant role in the regulation of accounting. This is where the international auditing companies come from.

Development stages of this accounting system are the followings (Skrypnyk & Grigorevska, 2017):

- informal stage – until the beginning of the 1930s;
- problem solving phase – from the 1930s to 1973;
- the emergence of the FASB – 1973 to the present.

The condition for the existence of the model is the existence of a developed financial and stock market in the country. Accounting regulations are established by an independent trade union. By legally approving the rules, countries accept their mandatory compliance. The principle is objective and reliable information. Countries that use this model are characterized by state regulation of accounting by law. This task is performed by the standards of the state's accounting unions (Akimova *et al.*, 2016).

Principles of the Anglo-American model are provision of accurate, reliable and relevant information; a gut-based approach is not allowed when making decisions; information about businesses should be open; high level of social protection; what is not forbidden is allowed. Providing accurate and reliable information is crucial in ensuring transparency and trustworthiness in any information exchange or communication. Providing only relevant information helps to avoid information overload and allows for more effective decision-making. A gut-based approach is not allowed when making decisions, as it can be subjective and based on personal biases rather than objective facts.

Principle related to openness of information about businesses means that relevant information about a company should be available to stakeholders and the public to ensure transparency and accountability. A prominent level of social protection is important in promoting social justice and equality, and can include measures such as healthcare, education, and social welfare programs. The principle of "what is not forbidden is allowed" means that unless something is explicitly prohibited, it is allowed, allowing for more flexibility and freedom in decision-making and action taking.

The Anglo-American model places great emphasis on the profitability of investments and the effects of inflation. It is true that the rate of inflation in the USA is stable, nevertheless, its standards prescribe methods for its evaluation and influencing power. Its focus is on the interests of small and medium-sized equity investors.

Main features of the system (Glotova, 2017) are multi-variable and flexible accounting system; keeping in mind the needs of creditors and investors; highly developed securities market; high level of accounting qualifications; the presence of multinational companies in the country; to ensure the information supply of investors and creditors with minimal state intervention in the accounting system. A multi-variable and flexible accounting system allows for customization to suit different industries and organizations. The system is designed to keep in mind the needs of creditors and investors and provide financial information in a transparent manner. It also has a highly developed securities market that is essential for attracting investment and promoting economic growth. The system values prominent levels of accounting qualifications to ensure the quality and accuracy of financial reporting. The presence of multinational companies in the country can bring significant benefits to the economy, such as increased investment, job creation, and access to innovative technologies and markets.

To ensure the information supply of investors and creditors, the accounting system aims to strike a balance between transparency and accountability, and the need to minimize unnecessary regulation and bureaucracy. In other words, it is designed to provide financial information to stakeholders with minimal state intervention.

The main means of attracting capital in countries is the issuance of securities. In countries that use this accounting system, there is usually no accounting plan specific to the state. For this reason, accountants at businesses must be able to organize an effective work draft and flowchart of accounting processes. The work plan is determined based on national standards (Akimova *et al.*, 2016).

Continental accounting system. The continental accounting model is used in most European countries and in Japan: Austria, Belgium, Greece, Denmark, Spain, Italy, Norway, Portugal, France, Sweden, Germany, Switzerland, Japan, Congo, Cameroon, Luxembourg, Morocco, Mali, Senegal, Togo, Ivory Coast, etc (Orlov & Hrytsyshen, 2017).

Unlike the Anglo-American model, public information about businesses is less detailed here. The common goal is to reduce the tax base, which is derived from the accounting result. Therefore, this accounting system is used by countries with a stable political system and a developed economy characterized by 3 main factors:

1. The existence of financial reports to meet the needs of banks.
2. Regulation of the accounting system by law.
3. The accounting activity serves to satisfy the needs of the government, keeping in mind the interests of the macro-economy.

Financial statements focus on tax and other governmental needs, and secondarily on the needs of investors and creditors. The accounting system is regulated by laws, characterized by conservatism and an elevated level of state intervention. Accounting becomes subordinate to tax accounting. The state strives to achieve macroeconomic goals through extensive use of the banking system (Akimova *et al.*, 2016).

Accounting is prepared uniformly according to the national accounting plan, which ensures the application of standardized methods and their sustainability. The professional qualifications of accountants are no less high than in the USA or the UK. Since the 1930s, auditing organizations have been monitoring accounting activities in these countries (Lubinets, 2018; Khushvakhtzoda, 2022).

In countries that use this model, a prominent level of trust is present, which is achieved by limiting the dissemination of financial information and increasing its secrecy. Therefore, the government determines the extent to which financial statements are published.

This country is also characterized by the close relationship of its economic units with banks and other state financial institutions, which entails the continuous development and improvement of the state's tax accounting. The development makes it possible to check the completeness and timeliness of taxation (Akimova *et al.*, 2016; Zeghal & Lahmar, 2022).

South American (Latin American) accounting system. It can also be seen from its name that the South American or Latin American accounting model is used by most countries in South America: Guyana, Brazil, Ecuador, Peru, Bolivia, Chile, Paraguay, Argentina, Uruguay (Orlov & Hrytsyshen, 2017).

The South American accounting model focuses exclusively on tax rules. The main means of attracting financial resources to the country is state financing. It primarily affects priority sectors in which the country specializes in the international division of labour. The accounting methodology is legally uniform and foresees the mandatory recalculation of price changes. These price changes are related to long-standing, persistent inflation.

Countries using the Latin American system have a central government system that includes state control of accounting. In most countries, accounting is characterized by low professionalism, because accounting methods and their development are provided by the state. Therefore, it undertakes certain guarantees for the reliability of published information, creates the basis of trust in businesses and the sphere of successful development of the industry (Akimova *et al.*, 2016).

Typical of the countries of the South American model:

- the unstable political system;
- the underdeveloped economy and high inflation;
- the financial reports satisfy the requirements of the authorities;
- regulation of accounting standards by law;
- standardization of accounting methods;
- adjustment of accounting results in relation to continuous inflation;
- government-oriented accounting system;
- strict requirements for the distribution and control of income of natural and legal persons;
- the state is actively involved in the activities of enterprises.

Islamic accounting system. The Islamic accounting

system is used by the member states of the international Islamic Organization, mostly in the countries of the Middle East. It appeared relatively recently. It was formed with the spread of Islam and is based on the economic views of the religion's doctrines.

The Islamic accounting system is greatly influenced by historical, religious, geographical and social factors. States seek a golden mean between individual and social welfare, and this also affects their accounting system. Its main goal is the full transition to the Islamic economy (Akimova *et al.*, 2016).

Accounting in these Islamic countries develops in a coordinated manner with the accounting technology of Western states. General accounting methods and techniques can be used if they do not contradict Islamic law and Muslim economics.

Accounting information is used both at the micro and macro level. This results in changes in the economic system, as appropriate, efficiency-seeking management decisions are made based on the information. Accounting forms the basis of the information system, which ensures the effectiveness and reliability of management activities.

The creation of various economic and financial institutions and technologies led to the development of the Islamic accounting system. These resulted in new accounting principles and rules. This system differs from those established in the West in terms of its provisions:

- Islamic Insurance – “Takaful”;
- interest-free financing;
- obligatory payment of the religious tax – “Zakat”.

These specific conditions necessitated a special approach to accounting items. The similarities between the Anglo-American and Islamic models exist due to the colonial nature of Muslim countries for many years. There are big differences between the techniques, but the accounting elements are still the same.

The task of Islamic accounting is to reflect the process of economic activity and events, the use of assets and the effectiveness of the activities of companies, as these have social (infrastructure development, welfare of employees, development of social programs) and economic (making a profit, building economic relationships, expanding economic activity) effects.

Accounting must ensure the calculation of the religious tax, the maintenance of the special tax system, the part of the income devoted to charity and the continuation of activities allowed by the prescribed law. Individual reports have been developed and are available to information users.

Features of the accounting system:

1. Ensuring environmentally friendly economic activity;
2. Orientation in the balance sheet due to the importance of the tax;
3. Reflecting a fair distribution of financial results;
4. Valuation of the subject of accounting at market price to ensure the accuracy of payments.

Nowadays, there is not a single common, unified accounting system in the countries that use this model. For the sake of transparency and comprehensibility, provisions were made that are present in all countries of the region. The religious-legal regulation directs the publication of accounting information. This type of regulation is present only in the Islamic model, since in others the system of religion and socio-economic relations does not have such a major influence on each other.

International regulation is related to pan-Islamism, which is nothing more than the effort to unite the Mohammedan peoples in one empire. This form of regulation is closely related to the functioning of the Academy of Islamic Law, which adopts decisions on business units and accounting. The Accounting and Auditing Organization of Islamic Financial Institutions specializes in the development of reporting standards. These standards are mainly aimed at financial institutions, as they are the most important investors for industries, and therefore specific financial products have been created. This includes, for example, the method of profit-making by banks: it runs on the “poor man’s bank” principle, and it is possible to reschedule its repayments. Unlike the banking system of other models, this rescheduling in Islam does not entail any penalty. Equal sharing of profit or loss is also such a financial product.

National level regulation is carried out by the authorities in compliance with the regulations and legislation of the Organization of the Islamic Conference. Table 1 lists the expressions requiring regulation in the following areas: accounting, financial institutions, and accounting control.

Table 1. The national level of regulation of the Islamic accounting model

| Subject to regulation | Manifestation |
|------------------------|---|
| Accounting | <ul style="list-style-type: none"> • evaluation and settlement of financial assets, • the Zakat system in the accounting activity, • profit distribution, • the establishment of guarantees and reserves of enterprises, • the mechanism of subsequent settlements, • accounting for foreign economic activity, • reporting on the activities of insurance companies, • financial statements. |
| Financial institutions | <ul style="list-style-type: none"> • with Sharia economic norms, • adherence to the principles of government. |

| Subject to regulation | Manifestation |
|-----------------------|---|
| Accounting control | <ul style="list-style-type: none"> • the organization and mechanism of control, • conditions for completion, • the activities of the inspectors, • preparation of an inspection report. |

Source: compiled by the authors based on (Evdokimov *et al.*, 2012)

As table 1 shows, according to the Islamic accounting model the next elements are the subjects to regulation. In the field of accounting, the list enumerates the manifestations requiring regulation. Among others, it includes the evaluation and accounting of financial assets, the operation of the Zakat system in accounting activities, the distribution of profits, the establishment of collateral and reserves of enterprises, the mechanism of subsequent settlements, the accounting of foreign economic activity, the reporting of the activities of insurance companies and financial statements. The field "Financial Institutions" include compliance with Sharia economic norms and adherence to the principles of government. Accounting control as a subject for regulation foresees understanding namely of the organization and mechanism of the control, the conditions for its performance, peculiarities of the auditors' activity and the preparation of the report on the control.

Micro-level regulation is present in the countries, which, considering the characteristics of a specific

enterprise, develops rules and documents for internal use that meet the governing organization and religious requirements. It regulates corporate governance, investments, and financial statements. (Evdokimov *et al.*, 2012)

There are four main accounting models used in various countries: Continental, Anglo-American, South American and Islamic (Table 2). The Continental model is used in countries such as Germany, Austria, France, and Japan. It is characterized by strict regulation of accounting by laws, close relations between businesses and financial institutions, and a focus on the reliability of financial results. The Anglo-American model is used in countries such as the USA, Canada, Great Britain, and Australia. It is characterized by limited legislative intervention in the accounting regulation process and a focus on providing users with financial information. The South American model is used in countries such as Brazil, Argentina, and Chile. It is characterized by primary regulation of accounting by law and standardization of accounting methods.

Table 2. Comparison analysis of accounting models

| No. | Model | Countries, which uses | Characteristics | Orientation of accounting information |
|-----|----------------|--|---|---|
| 1 | 2 | 3 | 4 | 5 |
| 1 | Continental | Germany, Austria, France, Denmark, Sweden, Norway, Italy, Belgium, Greece, Egypt, Spain, Switzerland, Portugal, Japan, Algeria, DRC, Cameroon, Luxembourg, Mali, Morocco, Senegal, Togo | <ul style="list-style-type: none"> - regulation of accounting by strict laws; - establishing close relations between businesses and financial institutions; - maintaining conservatism in accounting practice; - standardization of accounting procedures, documentation and reports; - prioritizing the reliability of the financial result. | <p>Keeping in mind the state needs of taxation and macroeconomic regulation</p> <p>Preparing reports for the government and the tax authorities</p> |
| 2 | Anglo-American | <p>American version: USA, Canada, Mexico, Philippines, Japan;</p> <p>English version: Great Britain (Bahamas and Bermuda Islands), Republic of South Africa, New Zealand, Australia, Ireland, Netherlands;</p> <p>Mixed version: Zimbabwe, Israel, India, Cyprus, Venezuela, Iceland, Panama, Tanzania, Uganda, Fiji, Central American countries, Jamaica, Ghana, Zambia</p> | <ul style="list-style-type: none"> - limited legislative intervention in the accounting regulation process; - creation of national accounting organizations; - development of professional standards of accounting regulation; - maintaining the flexibility of the accounting system; - high requirements for the level of education and training of accountants; - providing users with financial information; prefers reliable valuation of assets and liabilities. | <p>The needs of investors and stock exchange participants</p> <p>Reports, reports on creditors' requests</p> |

Table 2, Continued

| No. | Model | Countries, which uses | Characteristics | Orientation of accounting information |
|-----|----------------|--|--|--|
| 1 | 2 | 3 | 4 | 5 |
| 3 | South American | Brazil, Argentina, Bolivia, Paraguay, Peru, Uruguay, Chile, Ecuador, Guyana | <ul style="list-style-type: none"> - primary regulation of accounting by law; - standardization of accounting methods; - adaptation of accounting procedures taking into account high inflation; - simple accounting system due to the small size of the enterprises; - low level of qualification of accountants; - revaluation of currencies in the report; - compliance with tax accounting and reporting regulations defining its parameters; - prefers a reliable assessment of the financial result and tax liability. | The need for state regulation of the economy and taxation of the activities of economic units |
| 4 | Islamic | Kingdom of Saudi Arabia, United Arab Emirates, Iran, Iraq, Lebanon, Pakistan | <ul style="list-style-type: none"> - regulation of accounting by law; - the availability of accounting standards for banking institutions; - compliance of accounting principles with Islamic religious principles; - mandatory taxation of natural and legal persons for the benefit of the poor; - lack of diversity in accounting. | <p>State taxation and economic regulation needs</p> <p>For the religious and moral principles present in the countries</p> |

Source: compiled by the authors based on (Akimova & Grinko, 2016; Orlov & Hrytsyshen, 2017; Glotova, 2017)

Most models are named after the geographical location of the countries that use them. Their task is to resolve conflicts of interest. Islam differs from the rest mainly due to its religious views. Trade unions, provision of financial information, reliable assessment of assets and liabilities and accounting flexibility are common features of each accounting system. The orientation of the information varies with each model.

During the development of accounting, along with these four systems also the fifth model has been formed – the international accounting system. The common characteristics of the discussed above models are summarized in the latter one that includes such elements as international trade unions; professional standards; flexibility; high level of education; provision of financial information; reliable assessment. The degree of adaptation of the international model to the accounting system of the countries that use this model provide countless opportunities for further research.

The Continental accounting orientation is followed by countries such as Germany, France, and Japan. Its main characteristics include the regulation of accounting by strict laws, close relations between businesses and financial institutions, and prioritizing the reliability of financial results. The orientation is primarily oriented towards keeping in mind the state needs of taxation and macroeconomic regulation and preparing reports for the government and tax authorities.

The Anglo-American accounting orientation is followed by countries such as the USA, Canada, and Great Britain. Its key features include limited legislative

intervention in the accounting regulation process, creation of national accounting organizations, and high requirements for the level of education and training of accountants. The orientation is primarily oriented towards meeting the needs of investors and stock exchange participants and providing reports and reports on creditors' requests.

The South American accounting orientation is followed by countries such as Brazil, Argentina, and Chile. Its key features include primary regulation of accounting by law, standardization of accounting methods, and compliance with tax accounting and reporting regulations. The orientation is primarily oriented towards the need for state regulation of the economy and taxation of the activities of economic units and prefers a reliable assessment of the financial result and tax liability.

The Islamic accounting orientation is followed by countries such as Saudi Arabia, Iran, and Pakistan. Its key features include regulation of accounting by law, compliance of accounting principles with Islamic religious principles, and mandatory taxation of natural and legal persons for the benefit of the poor. The orientation is primarily oriented towards meeting the state taxation and economic regulation needs and adhering to religious and moral principles present in the countries.

Discussion

In recent scientific works, researchers and scholars have engaged in discussions regarding the classification and comparative characteristics of accounting models. Thus, such scholars as A. Unegbu, (2014), A.A. Frolova (2018),

E. Eromonsele (2017) focused on evolution of accounting models. Authors have explored the historical development of accounting models and their underlying principles. They discuss how accounting models have evolved over time, transitioning from traditional approaches like Historical Cost Accounting (HCA) to more contemporary models such as Fair Value Accounting (FVA) and Accrual Accounting (AA). Eromonsele (2017) fairly notes that the explanations regarding the causes of the accounting systems multiplicity and their classification by some experts in compared accounting systems has constituted a strongly debated issue in the second half of the 20th century. The accounting classifications have always created interest to the researchers, practitioners either for the explanation of the major differences which exist in the case of apparent accounting options due to cultural influences, or for making possible comparisons between the countries which have the scope of accelerating international harmonization.

It is important to state that the specific discussions and viewpoints regarding classification of accounting models and list of factors affecting them may vary across different scientific works and authors. Some researchers, as V. Tsaruk (2019) and O.O. Nesterenko, have examined the impact of accounting models on financial decision-making and economic outcomes. They explore how different models affect the valuation of assets and liabilities, profit recognition, and the measurement of financial performance. This analysis often includes discussions on the potential implications for investors, creditors, and other stakeholders. This aspect should be taken as well into consideration when assessing the impact of political, economic and other factors at the accounting system.

Discussions also revolve around the movement towards global convergence and harmonization of accounting standards. Author E. Bogáth (2018) has examined the challenges and benefits associated with aligning diverse accounting models across different jurisdictions. The potential has been explored for increased comparability, transparency, and the facilitation of international business transactions that is especially important for any national accounting system.

Different authors have proposed classification frameworks to categorize accounting models based on their fundamental characteristics, which allows to highlight Continental Accounting Model (Hellmann *et al.* 2013; Lubinets, 2018; Moshkovska & Dovhanets, 2019), (Glотова, 2017; Lubinets, 2018), (Evdokimov *et al.*, 2012). These frameworks usually consider factors such as measurement basis (e.g., historical cost, fair value, cash flow, or accruals), financial reporting objectives (e.g., reliability, relevance, liquidity, or comprehensive depiction), and decision-usefulness. They aim to provide a systematic approach to understanding the different accounting models and their characteristics.

It is worth highlighting the works of the authors D.V. Lubinets. (2018) and A.I. Elsidig (2020) who have conducted comparative studies to evaluate the strengths and limitations of different accounting models. Authors

have analysed the qualitative and quantitative characteristics of various models, assessing factors such as reliability, relevance, comparability, complexity, and the ability to reflect economic realities.

It should be noted that the classification of accounting models is an effective tool for describing and comparing different accounting systems, which helps separate countries to select the most suitable accounting model and identify possible problems that may arise when using a particular accounting model. Moreover, the accounting modelling is a very dynamic process that greatly influences the economic environment. If accounting system can be exported from one country to another, just as socio-political ideas are exported among different countries, so accounting models also tend to be changing throughout decades.

The authors have critically analysed existing accounting models, pointing out their specific orientation of accounting information and characteristics. At the same time, the classification given by the authors is conditional, since the same accounting model may have differences in individual countries that run on the principles of this model. In addition, accounting models lose their specificity with the development of the international accounting system and the recognition of international financial reporting standards in many countries of the world.

Thus, an accounting model is determined by the environment in which it operates, and the methodological principles of its organization, theory and practice depend on the social, political and economic environment of the given country.

Conclusions

To sum up, accounting has a rich history dating back to the 15th century with the creation of double entry book-keeping by Luca Pacioli. Over time, different accounting systems evolved based on the legal, social, and political environment of each country. The Anglo-American accounting system, which is used in 40 countries, places a strong emphasis on the provision of accurate and reliable information, the needs of investors and creditors, and a highly developed securities market. It is characterized by an independent regulatory body, prominent level of accounting qualifications, and minimal state intervention in accounting. While accounting regulations have become increasingly strict over time, the goal still is to provide objective and reliable information to stakeholders and protect the interests of investors and creditors.

Nowadays, every country in the world has its own accounting system, which is characterized by codes, national standards, regulations, plans of national accounts, and a specific methodology. Researchers divided the accounting models into four groups (Anglo-American, Continental, South America, Islamic models) which were supplemented by a new model of the modern accounting system, namely the international system.

There are several areas of further research that can be explored in the field of accounting models. There are a few potential research opportunities. Firstly, the impact of

technology on accounting models should be mentioned. With the rapid development of innovative technologies, such as artificial intelligence and block chain, there is a need to investigate the impact of these technologies on accounting models. Researchers could explore how these modern technologies could be used to improve the accuracy and efficiency of accounting models.

Accounting models are also influenced by cultural and institutional factors. A comparative study of accounting models across diverse cultures and countries could provide insights into the factors that shape accounting practices. In addition, in recent years, there has been a growing awareness of the importance of sustainability in accounting. Researchers could explore how accounting models can be adapted to incorporate sustainability considerations, such as environmental and social impact. Behavioural aspects of accounting models are also particularly important here. Accounting models are based on assumptions about

human behaviour. Researchers could explore how these assumptions affect the accuracy of accounting models and how they can be improved.

Another key aspect is the impact of accounting models on decision-making. Researchers could investigate how the design of accounting models affects decision-making and how they can be improved to better support these processes. Overall, there are many opportunities for further research in the field of accounting models, and these research areas could provide valuable insights into how accounting models can be improved and adapted to meet the changing needs of businesses and society

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Conflict of Interest

None.

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Порівняльна характеристика облікових моделей

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Анотація. Актуальність дослідження полягає в необхідності дослідження еволюції практик бухгалтерського обліку та впливу на них економічних, політичних і соціальних факторів у часі. Вивчення еволюції практики бухгалтерського обліку має важливе значення для отримання розуміння історичного контексту того, як бухгалтерський облік адаптувався до мінливих обставин. Ці знання допомагають оцінити основи сучасного бухгалтерського обліку та визначити причини поточної практики. Метою даного дослідження є порівняння типів облікових моделей та розгляд їх впливу на сучасні облікові системи. Серед теоретичних методів дослідження, покладених в основу дослідження, можна виділити методи якісної обробки даних та прогностичні методи. Ключовим елементом методології дослідження є історико-теоретична частина, яка передбачає вивчення облікових моделей різних груп країн з урахуванням зв'язків і взаємозалежностей між ними. Зроблено висновок, що на розвиток моделей бухгалтерського обліку вплинули різні чинники, які призвели до виділення певних типів зі своїми особливостями: континентальний (із суворими законами та консерватизмом); англо-американський (обмежене втручання в регулювання бухгалтерського обліку); Південноамериканський (адаптація до високої інфляції та проста система обліку) та ісламський (відповідність релігійним принципам та відсутність різноманітності в обліку). Для кожної окремої моделі орієнтація інформації різна. Континентальна модель призначена для державних потреб і надання звітності; англо-американська модель для потреб інвесторів, учасників фондового ринку та запитів кредиторів; південноамериканський орієнтований на державне регулювання та оподаткування господарської діяльності; Іслам виступає за державне та економічне регулювання та релігійні принципи. Вивчення як рудиментарного стану, так і сучасного застосування міжнародної системи бухгалтерського обліку відіграє важливу теоретичну та практичну роль для розвитку сфери бухгалтерського обліку та оподаткування. Практична цінність дослідження полягає в тому, що результати дослідження та обговорення сприяють кращому розумінню природи сучасної практики бухгалтерського обліку, дають зрозуміти, як зміни в бізнес-процесах, культурних нормах, а також законодавчій та нормативній базі сформували практику та системи бухгалтерського обліку

Ключові слова: системи бухгалтерського обліку; англо-американська модель; континентальна модель; південноамериканська модель; ісламська модель