

**An Analysis of IFRS 15 – Impact on the work of the
accountant and Practical difficulties in implementing and
monitoring**

Research dissertation presented in partial fulfilment of the
requirements for the degree of

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Griffith College Dublin

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Candidate Declaration

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I certify that the dissertation entitled: **An Analysis of IFRS 15 – Impact on the work of the accountant and Practical difficulties in implementing and monitoring.**

submitted for the degree of **MSc in Accounting and Finance** is the result of my own work and that where reference is made to the work of others, due acknowledgment is given.

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Dedication and Acknowledgements

I would like to dedicate this dissertation to Jayant K. Merchant, my father, for trusting me to get so far and successful in life. His support is key motivation for me to work hard and complete the dissertation. It was his idea that I should pursue a Masters in Accounting and Finance in Ireland and I always trusted his innovative and futuristic ideas which he had for my education.

I would also dedicate this dissertation to Jayshree J. Merchant, my mother, for giving me emotional strength for all the things great and small.

I want to express my gratitude towards God for giving me enough spirit and endurance to be able to complete this challenge.

I would like to acknowledge the support of my family, friends, teachers and special thanks to my supervisor, Louise Gorman, for always motivating me and giving me a positive spirit. Moreover, thanks to all the participants for their valuable time and insights.

Special mention should be made to Dhara Shirish Merchant, who was always encouraged and motivated to keep up the positive spirit. Thank you so much for your encouragement, support, advice.

Thanks for being part of my dissertation.

Abstract

This research study scrutinizes major challenges and problems that may arise during the process of implementation and monitoring of IFRS 15. This study will also evaluate the overall impact on the work of the accountant by IFRS 15. All the previous research papers on IFRS 15 are far from reaching a detailed understanding with respect to the implementation and monitoring process and problems faced during the implementation process as they were conducted at such a time that only allowed brief assessment as companies had not yet implemented IFRS 15. Apart from that, other little research was conducted during the time of implementation. Therefore, this research paper aims to capture profound insights of IFRS 15 problems during the implementation process and the overall impact of IFRS 15 on the organization after three years of IFRS 15 coming into effect.

For the purpose of this research, a qualitative approach was adopted using a constructivist paradigm. A researcher has gathered data by conducting 15 semi-structured in-depth interviews with auditors in Ireland who have good sound knowledge of IFRS 15 and the accountants who handle the implementation process of IFRS 15. The interview code book was developed from previous research papers, theoretical frameworks and from the knowledge gaps identified in those papers.

The study's findings indicate that IFRS 15 is one of the most difficult financial reporting standards to understand, and the impact on the work of the accountant and practical challenges encountered while implementing and monitoring IFRS 15 vary from company to company, but it has impacted all companies. Whereas few specific industries are impacted in magnitude. The findings of this research have fully reaffirmed other studies about the impact and practical difficulties.

The study has few limitations, such as the findings are based on the responses given by the sample population. Moreover, the impact of the COVID-19 situation could have influenced the opinion of the participants

Keywords: IFRS15, Impact on the work of the accountant, practical difficulties and challenges, IAS 11 and 18, revenue recognition, five step model.

Table of Contents

Candidate Declaration	i
Dedication and Acknowledgements	ii
Abstract	iii
1 Introduction	1
1.1 Overview	1
1.2 Research Purpose.....	1
1.3 Significance of the Study.....	2
1.4 Research Objective	3
1.5 Structure of the Study	4
1.6 Summary.....	4
2 Literature Review	6
2.1 Historical Background of IFRS	6
2.1.1 Technical Terminology	6
2.1.2 IFRS – History and its Implementation	7
2.1.3 IFRS- How standards are developed?	8
2.2 Revenue Recognition Standards Prior to IFRS 15.....	8
2.2.1 IAS 11 – Construction Contracts	9
2.2.2 IAS 18 – Revenue	10
2.2.3 Critical Evaluation between IAS 11 and IAS 18	10
2.3 New Revenue Recognition Requirement – IFRS 15 – Revenue from contracts with customer.....	11
2.3.1 Background of IFRS 15	11
2.3.2 Adoption of IFRS 15 in EU	13
2.3.3 Revenue Recognition Rules	13
2.3.4 Disclosures	21
2.3.5 Transition Rules	22
2.4 Critical Evaluation of IFRS 15	23
2.4.1 Impacts of IFRS 15 on the work of the accountant	24
2.4.2 Implementation Challenges of IFRS 15	25
2.4.3 Professional judgement and its implication	27
2.5 Theoretical and Conceptual Framework.....	28
2.6 Conclusion	31

3. Methodology and Research Design	33
3.1 Research Paradigm and Overall Approach	33
3.1.1 Research Philosophical Stance	33
3.1.2 Research Approach - Logical Reasoning (Inductive or Deductive)	34
3.1.3 Primary Research Paradigm – Interpretivism	35
3.2 Research Objective and Hypotheses.....	36
3.2.1. Research Objectives	36
3.2.2. Research Hypotheses	36
3.3 Research Design	36
3.3.1 Research Strategy	37
3.4 Research Methodology	39
3.4.1 Sampling	39
3.4.2 Samples and Participants	41
3.4.3 Nature of Data – Semi-structured Interview	42
3.5 Data Collection Process.....	43
3.5.1 Semi-structured Interview Data Collection	44
3.5.2 Sources of Data	45
3.5.3 Ethical Considerations	45
3.6 Data Analysis.....	46
3.6.1 Semi Structure Data Analysis	47
3.7 Conclusion	48
4 Presentation and discussion of the findings	49
4.1 Findings and discussion from the data collected	49
4.1.1 Background information on the interviewees	51
4.1.2 H₁ : The impact of IFRS on the work of the accountant	52
4.1.3 H₂: The practical difficulties faced in implementing and monitoring IFRS 15	61
4.1.4 Overall Objective	73
4.2 Conclusion	75
5 Concluding Thoughts on the Contribution of this Research, its Limitations and Suggestions for Further Research	77
5.1 Summary of Findings	77
5.2 Implication of Findings for the Research Questions.....	78
5.3 Contributions of the Research	79

5.4 Limitations of the research	80
5.5 Recommendations for Future Research.....	81
5.5 Final Conclusion and Reflections	82
6 References.....	83
Appendix – A – Interview Questions.....	A
Appendix – B – Email to Participants.....	E
Appendix – C – Plain Language Statement.....	F
Appendix – D – Informed Consent Form	H
Appendix – E – Interview Report.....	J

List of Figures

Figure 1: Standards for Revenue Recognition Pre and Post IFRS 15.	9
Figure 2: Implementation process of IFRS 15 in EU	13
Figure 3: Identification of Contracts with customer	14
Figure 4 Contract Modification Process	15
Figure 5 Identification of performance obligation in transfer of multiple goods or services in a single contract	16
Figure 6 Transaction Price and its components	17
Figure 7 Allocation of transaction price	19
Figure 8 Transaction Price allocation process.	19
Figure 9 Revenue recognition over time or at a point in time.	20
Figure 10 Disclosure requirement as per IFRS 15	21
Figure 11 Transition Methods for IFRS 15 implementation	23
Figure 12 Industries impacted by 5 step revenue recognition norms of IFRS 15	25
Figure 13 Conceptual Framework for the Research Paper	29
Figure 14 Comparison between inductive and deductive reasoning	34
Figure 15 Research Onion	38
Figure 16 Selecting a non-probability sampling technique	40

List of Tables

Table 1 Coding system for data classification for the impacts on the work of the accountant.	49
Table 2 Coding system for data classification for practical difficulties in implementing and monitoring IFRS 15.....	50
Table 3 Basic information about the participants.	51
Table 4 Analyzing participants response for IFRS implementation needs	53
Table 5 Analyzing participants response for IT system	55
Table 6 Analyzing participants response for Internal Control	56
Table 7 Analyzing participants response for employee training.....	57
Table 8 Analyzing participants response for Involvement of consultants.....	58
Table 9 Analyzing participants response for Disclosures.	60
Table 10 Analyzing participants response for Professional Judgement.	63
Table 11 Analyzing participants response for IFRS implementation needs	65
Table 12 Analyzing participants response for IT systems and Internal Controls.	66
Table 13 Analyzing participants response for Employee Training.....	67
Table 14 Analyzing participants response for Involvement of Consultants.....	69
Table 15 Analyzing participants response for Disclosures.	70
Table 16 Analyzing participants response for Transparency in Disclosures.	71
Table 17 Analyzing participants response for IFRS 15 Framework Guidelines.	74
Table 18 Analyzing participants response for IFRS 15's impact on Telecommunication Industry	75

List of Acronyms and Definitions

Acronyms	Full Form
IASB	International Accounting Standards Board
IAS	International Accounting Standards
US GAAP	United States Generally Accepted Accounting Principles
IFRS	International Financial Reporting Standards
IFRS 15	Revenue from Contracts with Customer
IAS 11	Construction Contracts
IAS18	Revenue
IFRIC	International Financial Reporting Interpretations Committee
IFRIC 18	Transfer of assets from Customers
SIC	Standard Interpretations Committee
SIC31	Revenue- Barter Transaction Involving Advertising Services
PO	Performance Obligation
FS	Financial Statements
CPA	Certified Public Accountant
EC	European Commission
EFRAG	European Financial Reporting Advisory Group
FASB	Financial Accounting Standards Board

NYSE	New York Stock Exchange
Para.	Paragraph
POC	Percentage of Completion
EFRAG TEG -	European Financial Reporting Advisory Group Technical Expert Group

1 Introduction

The objective of this chapter is to introduce the research and the way this research is structured. This chapter, researcher will give an overview of the research topic such as what IFRS 15 is, what impact it has caused on the work of the accountant and what are the practical difficulties faced while implementing and monitoring IFRS 15. The second subsection will explain the research purpose, followed by the third subsection giving the significance of the study. The fourth subsection will highlight the research objective, followed by the fifth subsection about the structure of the study and, lastly, in the sixth subsection it will summarize chapter.

1.1 Overview

This study will examine the International Financial Reporting Standard (IFRS) 15 such that the main focus is to examine the impact of IFRS 15 on the work of the accountant of the companies in Ireland. The second focus would be to investigate the practical difficulties faced by different user groups in the implementation and monitoring of IFRS 15 for the preparation and presentation of the financial statements. This research will be carried out using semi-structured interviews to gather new empirical data to support the author's claim.

It will be the intent of this study to critically analyse the related literature, qualitative data and findings from academic studies and reports to present the impact and practical difficulties faced by people in implementing and analysing the impact of IFRS 15 on the work of the accountant. This study will utilise academic peer reviewed papers, journals, books and web pages to critically analyse the primary qualitative data collected.

1.2 Research Purpose

IFRS 15 is the most important financial reporting standard among all the standards in the world. This will affect each and every entity in some or the other way as the revenue element is eminent in all the financial statements. Revenue is considered to

be the most decisive element for the users of the financial statements to analyze the company's current position (Dalkilic, 2014, p.2).

However, even after a well described principle based financial reporting standard developed mutually by both the US GAAP and IFRS committee, it still possesses practical difficulties in preparing and auditing the financial statement based on IFRS 15.

The study carried out facilitates the users of the financial statements to understand how important the revenue recognition standard is. This is narrowed down to the impact it has brought on the work of the accountant after the implementation of IFRS 15. This study is focusing on all the practical difficulties faced by the preparer of the financial statements. This research is conducted on specific target groups, such as the Irish telecommunications industry.

To minimize bias during primary data collection, the researcher chose participants from a variety of practicing firms, ensuring that their perspectives are open and diverse on the research question.

1.3 Significance of the Study

The researcher intends to investigate all the perceptions of the auditors and preparers of the financial statement for IFRS 15 and its impact on the work of the accountant. Moreover, the most important part of the researcher is to find the areas of IFRS 15 which are practically difficult or that pose implementation and monitoring challenges.

This research will contribute to the knowledge bank for IFRS 15. It will be beneficial for the various users of the financial statement such as preparers, investors, auditors and, lastly, it will also benefit the Accounting standard setting boards, which are the areas which companies at large are facing issues in implementing and monitoring IFRS 15 and how IFRS 15 is impacting the work of the accountant.

The research findings will be useful to users of financial statements in understanding which areas are causing challenges while implementing and monitoring IFRS 15 and how it is impacting the work of the accountant, and users of financial statements will be able to evaluate the financial statement in a better way as a result of that insight knowledge.

1.4 Research Objective

The objective will be studied by considering the sector of industries and the demographic location of the population sample selected. The objectives are outlined as follows

- To examine the impacts of IFRS 15- Revenue from Contracts with Customers on the work of the accountant.
- To examine the practical difficulties in the actual implementation and monitoring process of IFRS 15-Revenue from Contracts with the customer during accounting and preparation of the financial statements of the telecommunication industry in Ireland.

Besides, the following are research questions which are more exploratory in nature.

- Which industries are the most impacted by the implementation of the new revenue recognition standard-IFRS 15?
- Are there any practical difficulties in implementing IFRS 15 for the preparation of the financial statements?
- Are companies in Ireland facing more challenges in their implementation compared to other studies already carried out in different countries?
- How well is the preparer of the financial statements aware of the revenue recognition standard IFRS15?

- Are the users capable of reading and comprehending the impact shown/depicted in the financial statement?

1.5 Structure of the Study

This dissertation is divided into five chapters. The composition of the first chapter gives an overview of IFRS15. In addition, the chapter discusses the research purpose and the rationale for the study and the significance of the study.

The second chapter discusses the past literature and provides a detailed review on the research topic, which enables the reader to gain an in-depth understanding of the key issues of implementation of IFRS 15 and its impact.

The third chapter assesses the research methodology and strategy selected for this dissertation, followed by a complete explanation of this decision process.

The fourth chapter assesses the qualitative data generated from the primary research and sets out its interpretations. The findings of the present study are discussed in this section.

The fifth chapter provides future research and recommendations for practice. In addition, it also discusses the limitations and contributions of this study.

1.6 Summary

This study will examine the impact of IFRS 15 on the work of the accountant of the companies in Ireland. The research will be carried out using semi-structured interviews to gather new empirical data. It will be the intent of this study to critically analyse the related literature, qualitative data and findings from academic studies and reports. The study will present the impact and practical difficulties faced by people in implementing and analysing the impact of IFRS 15 on the work of the accountant.

This study would be conducted on specific target groups, such as the Irish telecommunications industry. This research will contribute to the knowledge bank for IFRS 15. It will be beneficial for the various users of the financial statement such as

preparers, investors, auditors and, lastly, it will also benefit the Accounting standard setting boards. The research findings will be useful to users of financial statements in understanding which areas are causing challenges while implementing and monitoring IF RS 15. The structure of the study is divided into five chapters.

2 Literature Review

The aims in this chapter are twofold. First to identify, evaluate and justify the core subject of this study, i.e., IFRS 15 by reviewing the academic literature. Secondly, it is the author's objective to examine the knowledge of past theories about IFRS 15.

This chapter will critically evaluate the academic and practitioner literature on the background of IFRS; revenue recognition standards prior to IFRS 15; the new revenue recognition requirements under IFRS 15; and extant evaluations of IFRS 15.

2.1 Historical Background of IFRS

The objective of this subsection is to provide information about the development process of IFRS and to understand the basics of accounting and IFRS.

2.1.1 Technical Terminology

Accountancy or accounting means carrying out measurement, processing and then communicating the financial information about the organization (Needles *et al.*, 2013). The whole process of accounting is often time consuming, meticulous and even boring to have a good and reliable financial statement (Edwards, 2013).

The financial statement consists of a balance sheet, income statement, statement of changes in stakeholder's equity, cash flow statement and notes to accounts. A financial statement is presented to all the stakeholders (Epstein *et al.*, 2009a).

According to Zeff (2005) Generally Accepted Accounting Principles (GAAP) were laid due to the stock market crash of 1929. It was concluded that the absence of any financial reporting requirements led to speculation which ultimately caused the market to crash. After that, different GAAPs were developed by different countries which were not comparable and difficult for the stakeholders to interpret (Wiecek and Young, 2009). One of the most famous examples is that of Daimler Benz AG, which was the first German company to be listed on the New York Stock Exchange (NYSE) under which he had to make his financials as per US GAAP. Now, as per German GAAP, net profit reported was DM 615 million for the financial year 1992, whereas,

as per US GAAP, it reported a net loss of DM 1,839 million (Carmona and Trombetta, 2008).

As per IFRS Foundation 4 (F4), para 29, income includes both revenue and gains. Revenue is the earning made during the ordinary course of activity, referred to as sales, dividends, interest, rent, royalties. And as per F4, para 30, gains are income which does not satisfy the income criteria (IFRS Foundation, 2019).

2.1.2 IFRS – History and its Implementation

- Formation of International Accounting Standard Broad (IASB)

During the 10th world congress of book-keepers in 1972 held in Sydney, a proposition was passed to form the International Accounting Standard Committee (IASC) and, after a year, IASC was formed with nine nations (Picker *et al.*, 2013). It was formed with two main purposes. The first was to formulate new accounting standards and to promote their acceptance and the second was to make the financial statement comparable by standardizing the accounting standards and its disclosure requirements (Street and Shaughnessy, 1998).

- IFRS Interpretations committee

The IFRS Interpretations committee checks and reviews issues and problems of financial reporting. This committee helps to reach a conclusion with a solution on appropriate treatment for the accounting entries and provides direction on those problems (Picker *et al.*, 2013).

- IASB Conceptual Framework

The IASB Conceptual Framework provides the ideas and concepts that would form the basis of planning, preparation and presentation of financial statements for the stakeholders (Picker *et al.*, 2013).

Under Regulation (EC) 1606/2002, all companies must adopt IFRS in the EU. However, the standard must be approved by the European Commission before it

becomes mandatory in the EU, and they have the authority to reject all or part of IFRS if it does not meet the criteria. This process of endorsement has two tiers, political and technical levels. The political tier is the Accounting Regulatory committee composed of representatives from EU governments. The technical tier becomes the European Financial Reporting Advisory Group Technical Expert Group (EFRAG TEG), which consists of 11 independent member (EFRAG, 2019).

2.1.3 IFRS- How standards are developed?

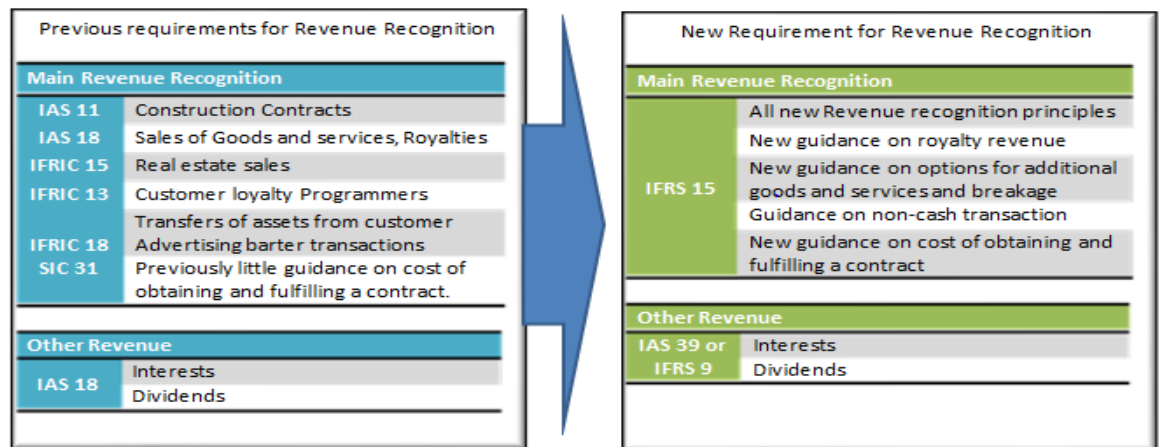
The IASB and IFRS Interpretation Committee came together and followed the below steps to develop a particular standard.

- Various research programs are created for any new projects, under which they explore new issues and identify possible solutions for the concerned issue.
- Among all the research programs, they set out discussion papers on how to proceed further.
- They select which project should finally graduate to the actual standard setting phase.
- Draft the new accounting standards and publish them as an exposure draft.
- They encourage feedback from around the world and also consult advisory bodies. Moreover, they received several letters from organizations and companies.
- Further refinement is made based on the feedback received, and the new international financial reporting standards are issued (IFRS.org, 2017).

2.2 Revenue Recognition Standards Prior to IFRS 15

IFRS 15 came into effect on 1st January 2018 and, prior to that, IFRS had the following standards for revenue recognition.

Figure 1: Standards for Revenue Recognition Pre and Post IFRS 15.



Source: Deloitte (2018a)

2.2.1 IAS 11 – Construction Contracts

IAS 11 deals with revenue and costs related to construction contracts which was implemented in 1995. As per IAS 11, para 3, “a construction contract is a contract specifically negotiated for the construction of an asset or group of assets which are interdependent in terms of technology, design, function and its purpose (Deloitte, n.d.).

As per para 22 of IAS 11, the result of the construction contracts needs to be estimated reliably in order to apply the Percentage of Completion (POC) method. The stage of completion will be determined as to the contract cost incurred at a specific point compared with the total cost. This will determine the reporting of revenue, profit and expenses to the proportion of work completed (Deloitte, n.d.).

There are various disclosure requirements such as method used to determine the stage of completion, contract revenue recognized, cost incurred, profit recognized and the advance received and the amount of retention. Moreover, the company needs to disclose the amount due to/from customer as an asset/liability in para 42 of IAS 11 (Epstein *et al.*, 2009b).

2.2.2 IAS 18 – Revenue

As per para 9 of IAS 18, revenue must be measured at the fair value of the consideration received or receivable and the fair value is the consideration for which the assets could be exchanged or a liability can be settled at an arm's length transaction. As per IAS 18, the key principles for revenue recognition is the amount of revenue to be measured reliably and there should be a probable chance that future economic benefits will arise to the entity. Moreover, there has to be a transfer of significant risk and rewards of the ownership of the goods from the seller to the buyer (Deloitte, n.d.).

The most widely used basis for revenue recognition is the Point of Sale (POS), which is applied to regular sales except for a few circumstances like return of goods or cancellation of contracts. In most cases, the point of sale is also the point of delivery; however, the importance of uncertainties can lead to inconsistencies (Ernst and Young, 2018).

2.2.3 Critical Evaluation between IAS 11 and IAS 18

IAS 18 has inadequate guidance with respect to Complex/multiple element contracts, variable consideration, warranties, licensing and inadequate disclosure. This limited knowledge and guidance will force the preparers and auditors of the financial statement to use significant judgement and estimates which will ultimately lead to potential inconsistencies (Jones and Pagach, 2013). As per McKee and McKee (2013), transaction that may be accounted for under the wrong standard would impose a significant risk, as preparers are confused about applying IAS 11 or 18 on few accounting transactions. Furthermore, financial managers are not able to apply the requirements of those standards (McCarthy and McCarthy, 2014).

IAS 18 itself has a contradictory way of accounting for customer loyalty programs such as miles and bonus points as para 13 and para 19 of IAS 18 which gave different sorts of accounting treatments. To clarify, International financial reporting

Interpretations Committee (IFRIC) issued IFRIC 13 – Customer Loyalty Programmes (Johansson *et al.*, 2008).

Real Estate contracts, which are long term contracts, are mis-appropriately accounted for by wrong application of IAS 18 and IAS 11. Some believe that IAS 18 should be used, which states that revenue will be recognized after the completion and transfer of the object, while others believe that IAS 11 should be used, which states that revenue will be recognized on a percentage completion basis. This was clarified by the issuance of the IFRIC 15-Agreement for the Construction of Real Estate (Dylag and Kucharczyk, 2011).

The above analysis and the interpretations implies that IAS 11 and IAS 18 consist of major inconsistencies and loopholes and the revenue recognition principles are not up-to-date with respect to the complex transactions of the current era (Tong, 2014). The inconsistencies and weaknesses are with respect to missing guidance for multiple-element agreement, variable consideration, warranties, licensing agreements and disclosure requirements (Khamis, 2016).

2.3 New Revenue Recognition Requirement – IFRS 15 – Revenue from contracts with customer.

This subsection will explain the history of IFRS 15 -Revenue from contracts with customers and its core technical requirements.

2.3.1 Background of IFRS 15

IFRS 15 is a standard that acts as a guideline for the accounting and reporting of revenue in the Financial Statements.

Revenue is considered to be the most decisive element for the users of the financial statements to analyze the company's current position (Dalkilic, 2014, p.2).

Under US Generally Accepted Accounting Principles (US GAAP), revenue recognition has various concepts for different situations/transactions and numerous requirements for different industries, resulting in different accounting treatment for the same transaction. In addition, the US GAAP is a rule-based approach. Under

IFRS, there are two standards dealing with recognition of revenue, IAS 11 and 18, but they have limited scope of understanding in multiple component arrangement and have a principle-based approach. Due to these inconsistencies in accounting related to revenue recognition, both the bodies came together and established a conceptual backbone for revenue recognition which is common for both the bodies to make the information more comparable and effective (Dalkilic, 2014, p.4).

The Financial Accounting Standards Board (FASB) along with the International Accounting Standards Board (IASB) underway a joint assignment in 2002 under the Norwalk agreement on revenue recognition (Dalkilic, 2014), to launch a single bracket revenue recognition principle (Ernst and Young, 2015, p.3). A discussion paper came up in 2008 and after that, an exposure draft for 2010 and 2011, under which opinions from various companies were brought up. By the middle of 2014, IFRS 15 was issued with an effective date of January 2017 but it was later on changed to January 2018 (Deloitte, n.d.).

IFRS 15 revenue from contracts with customers provides more precise and appropriate revenue recognition principles for the timing, nature and uncertainty of the cash flow (KPMG, 2017).

IFRS 15 focuses on finding a Performance Obligation (PO) and dividing the PO that is satisfied "at the point of time" and "Over time," which is determined by the way the control is passed on to the customer. Figure1 shows the previous requirements for Revenue Recognition and New Requirement for Revenue Recognition.

According to IFRS 15.BC3, the aims and objectives of the new revenue recognition norms are as follows.

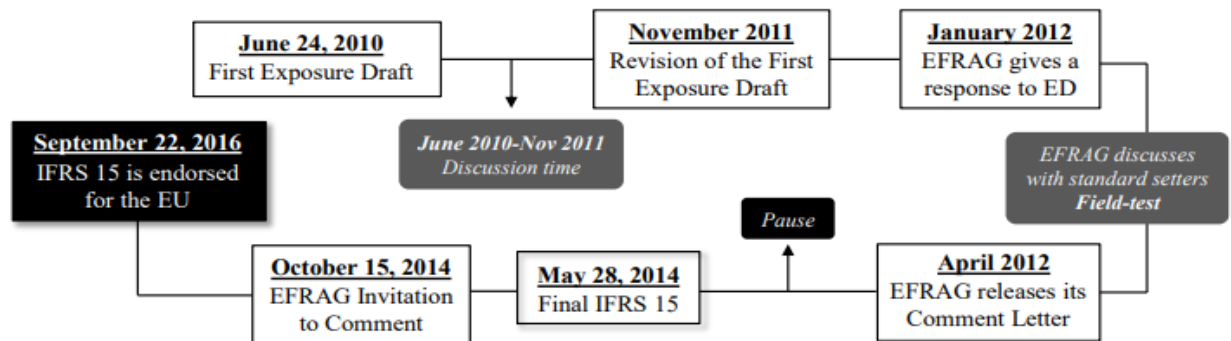
- To provide a more robust framework to address complex issues.
- To improve comparability across entities and capital market.
- Streamline the process of revenue recognition process and the preparation of financial statement.

- To increase the disclosure requirement to increase transparency of records between the preparers and other stakeholders (KPMG, 2019)

2.3.2 Adoption of IFRS 15 in EU

The European Union has an organization called the European Financial Reporting Advisory Group (EFRAG), whose mission is to serve the public interest by promoting European perspectives on financial reporting.(EFRAG, 2019). The association started carrying out field-test for EU companies to identify the potential application and implementation difficulties. The Association carried out an assessment of IFRS 15 and found that it satisfies the technical criteria for EU endorsement and in September 2016 it was endorsed by Commission Regulation 2016/1905 and published in the official Journal of EU in October 2016 (De Los Santos Valle, 2019).

Figure 2: Implementation process of IFRS 15 in EU



Source: De Los Santos Valle (2019)

2.3.3 Revenue Recognition Rules

All contracts are to be evaluated based on the five-step model as explained below.

1. Determine contracts with customers.
2. Determine PO under customer contracts.
3. Determine transaction price.
4. Distribute transaction price to the performance obligations.

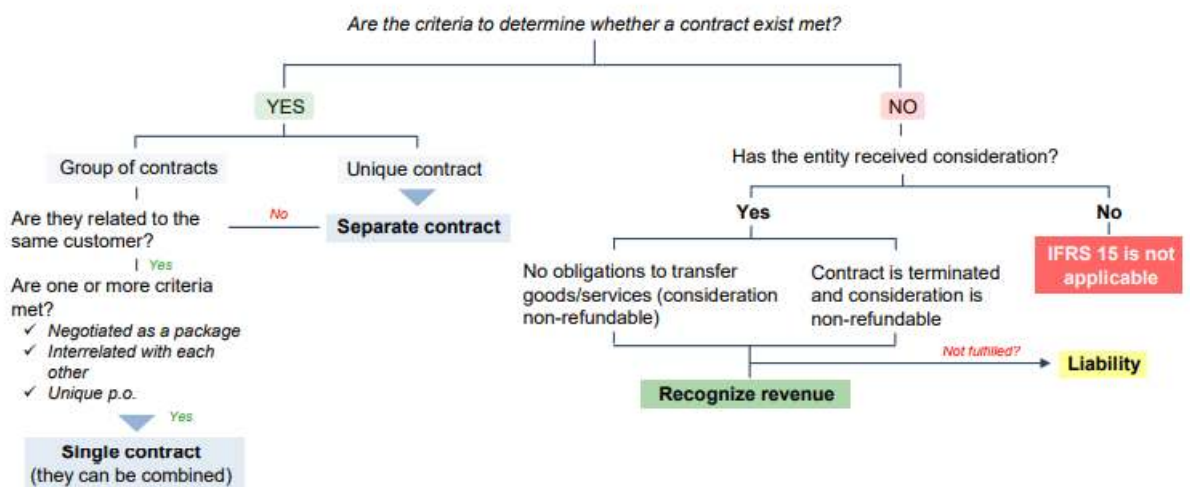
5. Book revenue when an entity achieves each performance obligation (ACS 606) (Ernst and Young, 2015, p.5).

1. Determine Contracts with Customer

Determining contracts with the customer would involve assessing the contracts and their terms and conditions, such as rights and obligations, their terms of payment and the presence of a commercial substance and, finally, the likelihood of obtaining a consideration of sales in return for goods or services.

Contracts can be combined when they are negotiated as one package and the consideration for one of the contracts depends on the goods and services which are delivered in another contract and all the services performed in the contract are considered as a single performance obligation. Practical implementation difficulties arise when dealing with combined contracts, which involve making a significant judgement on the combination of contracts. If the criteria for combination of contracts are satisfied, it could impact how the performance obligations are identified, allocation of consideration to performance obligations and when the revenue would be recognised (Deloitte, 2015,p.7).

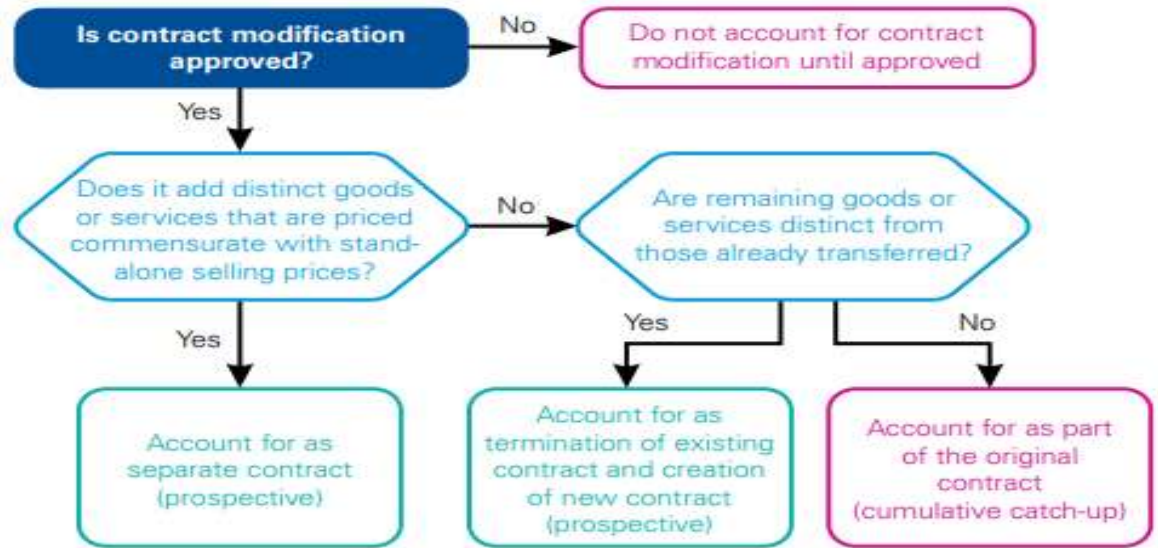
Figure 3: Identification of Contracts with customer



Source: De Los Santos Valle (2019)

Contract modification happens when there is a change in the price, scope or both and those changes must be approved by the parties. IFRS 15 provides detailed guidance on modification of the contract, whereas, there was no such guidance in IAS 18 (Peters, 2016).

Figure 4 Contract Modification Process

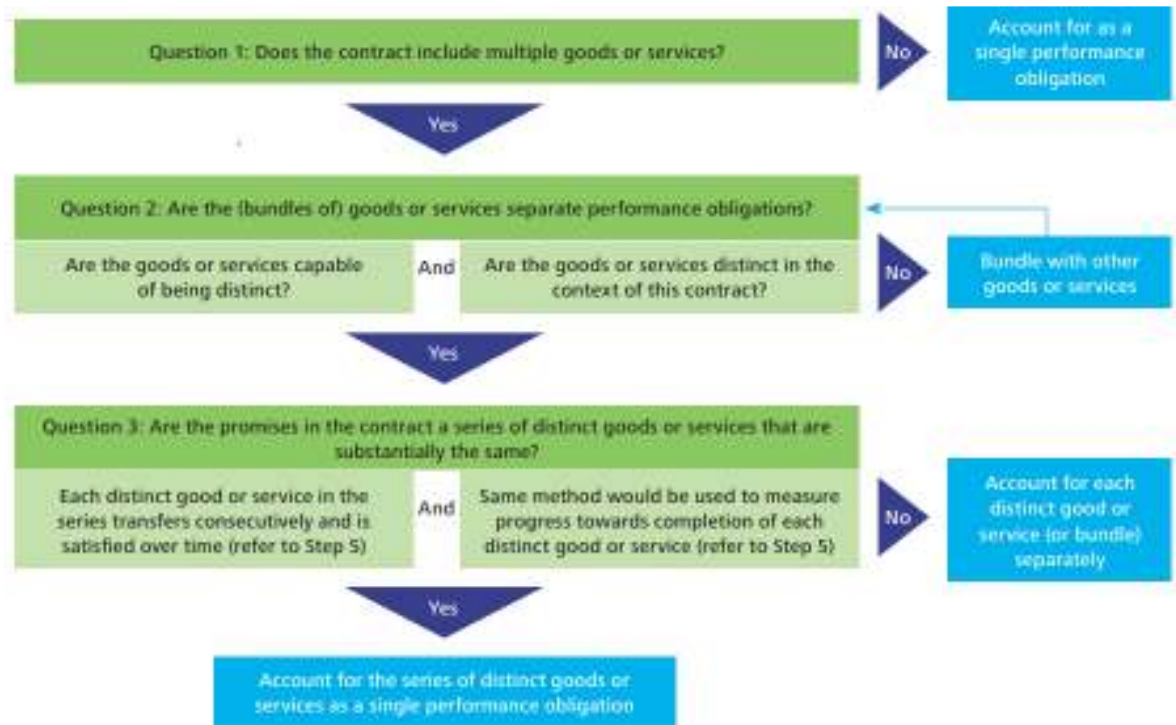


Source:-KPMG (2016).

2. Determine Performance Obligation under Customer Contract

Preparers of the financial statements need to identify the commercial substance to extract all the performance obligations. When there are numerous goods or services involved in a contract, the following steps need to be followed. Can multiple goods or services be separated and distinct in the context of the contract, if not then bundled with other goods or services? If yes, is the transfer sequential, consistent, and satisfied over time; if not, account for distinct goods or services separately. If yes, then numerous goods or services need to be bundled and to be accounted for as a single performance obligation (Deloitte, 2015).

Figure 5 Identification of performance obligation in transfer of multiple goods or services in a single contract



Source:- Deloitte (2015).

The following are the few factors that are specifically identified to support the separation but are not just limited to this.

- There is no internal consumption.
- It does not affect other goods or services under the contract.
- It is a separate obligation that is unrelated to any other obligation (Price Waterhouse Coopers, 2017, p.5).

The practical difficulty is identifying separate POs under the contract, and it requires professional judgement to identify and account for different POs under the contract.

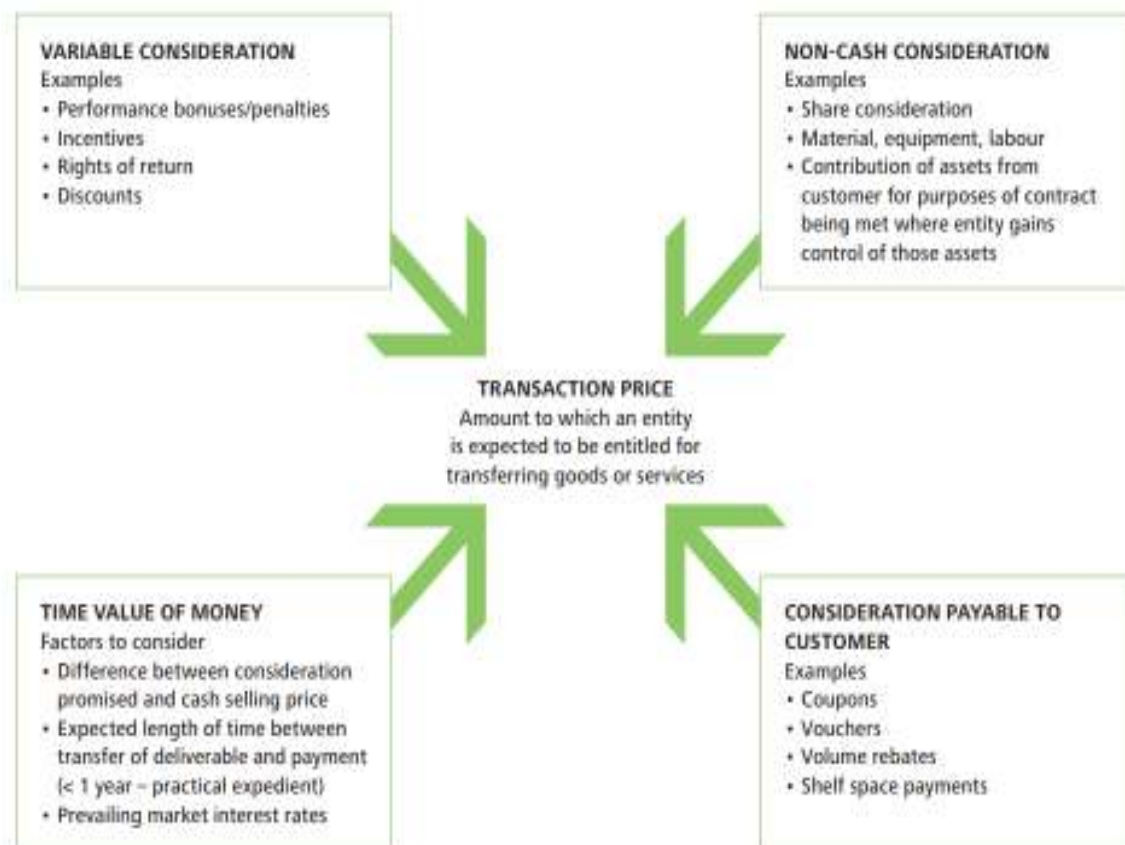
Performance Obligation can be satisfied in two ways, one over time and the second at a point in time. It all depends on the transfer of control of goods and services to the customer (Deloitte, 2018a).

3. Determine Transaction Price

Transaction prices and the total revenue have to be adjusted for any discounts, credits, rebates, incentives, price concessions, penalties and any other similar items (Deloitte, 2015). The transaction price may be fixed or variable. In addition, the nature, timing, non-cash consideration and financing component should also be taken into account (Wiley, 2019, p.498).

If it is extremely likely that there will be no revenue reversal until the uncertainty is addressed, variable consideration might be included in the transaction price. However, in accordance with IAS 18, variable consideration was postponed until the customer's payment was received (Peters, 2016).

Figure 6 Transaction Price and its components



Source:- Deloitte (2015).

The transaction price must take into account the time value of money. If the time delay between the performance obligation and payment is likely to be less than a year, the business can opt not to account for the time value of money. However, if the timing difference is more than a year, the company must assess whether there is a substantial financing component. The key aspect to consider for considerable financing is the gap between the cash selling price and the promised sale consideration, as well as the combined effect of the gap between satisfying the performance obligation and the expected date of payment (Deloitte, 2015).

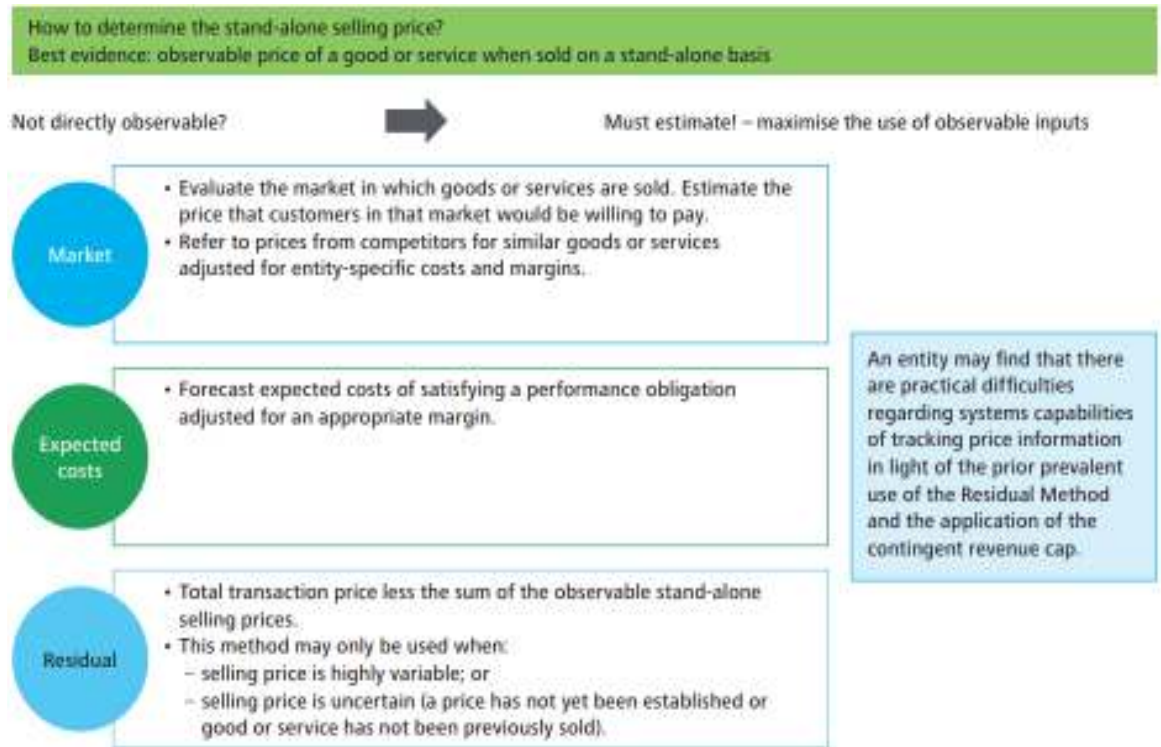
4. Distribute Transaction Price to the Performance Obligations

Practical difficulties arise in distributing the transaction price to the individual performance obligation under a large contract with multiple performance obligations. In the case of a single contract with multiple performance obligations, the distribution of the transaction price would take place on the basis of the relative stand-alone selling price. The standalone price should be determined at the beginning of the process, and if it is not available, it should be calculated using an estimated method such as the adjusted market assessment approach, residual approach, or expected cost plus margin approach (Deloitte, 2015, p.12).

When the stand-alone selling price is larger than the whole consideration of the contract, the consumer has received a discount. Unless otherwise agreed, the discount shall be applied proportionally to all performance obligations in the contract.

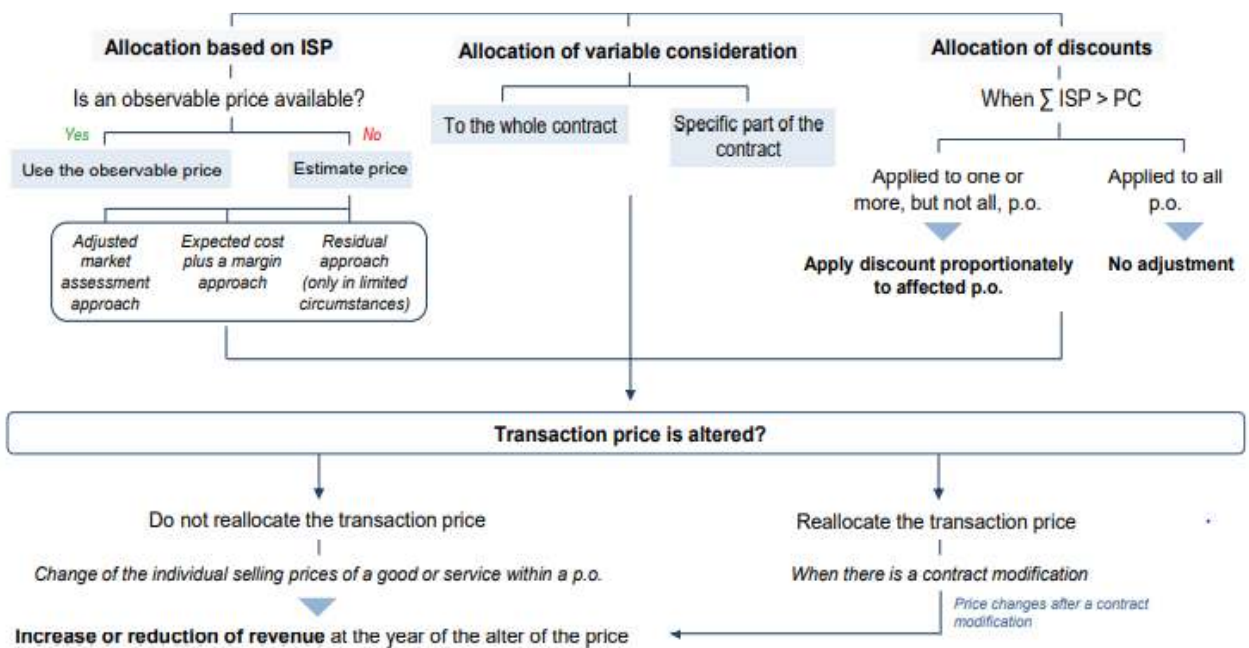
There can be a situation when the stand-alone selling price is greater than the overall consideration of the contract, then the customer has received a discount. Unless specified for which performance obligation the same discount applies for, the discount should be allocated proportionately to all the performance obligations in the contract (Deloitte, 2015).

Figure 7 Allocation of transaction price



Source:- Deloitte (2015).

Figure 8 Transaction Price allocation process.



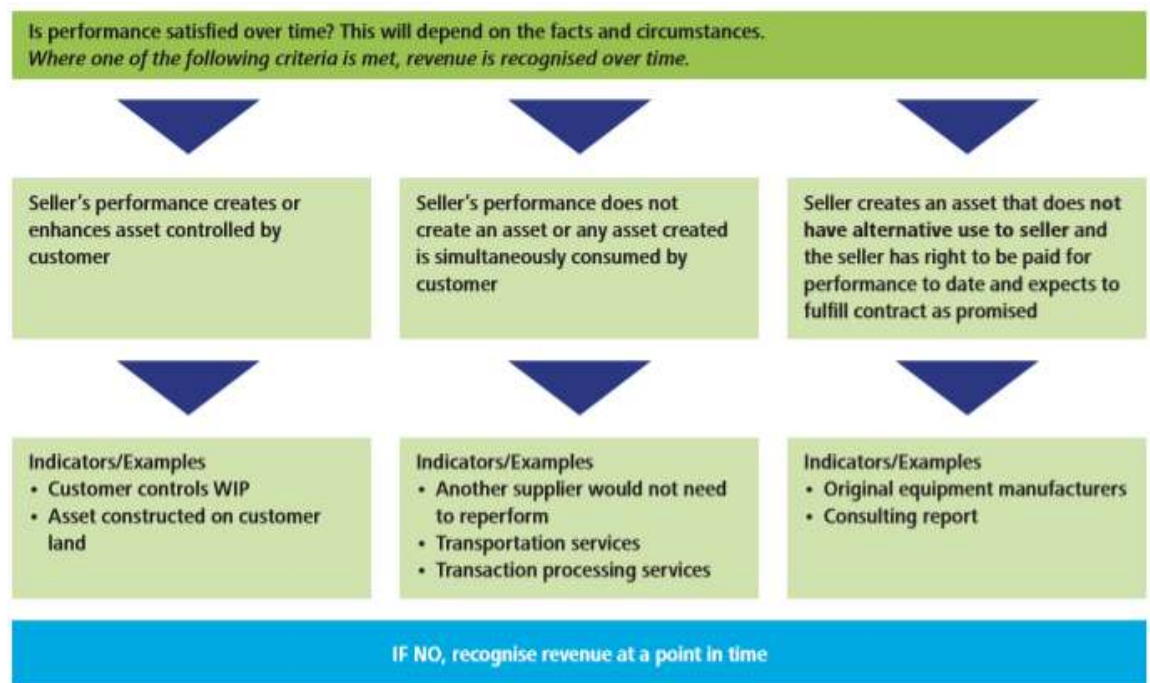
Source:- De Los Santos Valle (2019).

5. Book Revenue when Entity achieves each Performance Obligation

IFRS 15 adheres to control principles, which imply the capacity to direct the use of an asset and get substantially all of its advantages. Controls that are already in place, and the entity still bears the risk of the transfer, income would be recognized over time rather than at a single moment in time (Peters, 2016).

Revenue should be recognized on the satisfaction of each performance obligation. It could happen over time or at a point in time. Earlier, under IAS 18, revenues from services have been recognized over time and goods have been recognized at a point in time and are subject to very limited guidance. IFRS 15 has detailed guidance on how to recognize performance obligations over time or at a point of time. Performance obligation is fulfilled only when there is a transfer of control of the said goods or services (Deloitte, 2015).

Figure 9 Revenue recognition over time or at a point in time.



Source:- Deloitte (2015).

Earlier in IAS 18, revenue was booked when risk and rewards were transferred, but now the transfer of control is underway. Due to this, revenue which was previously

recognized as over time will now be recognized at a point in time and the same in the opposite situation (Deloitte, 2015, p.15).

2.3.4 Disclosures

Under IFRS 15, quantitative as well as qualitative information is to be disclosed for all the contracts with customers, including judgement and estimates applied. The purpose of IFRS 15 disclosure is to offer meaningful information to financial statement readers to assist them understand the nature, timing, quantity, and unpredictability of revenue and cash flow emanating from contracts with customers (Tong, 2014).

Figure 10 Disclosure requirement as per IFRS 15.



Sources:- Deloitte (2015).

2.3.5 Transition Rules

There are two methods for implementing IFRS 15.

1. Full Retrospective Method
2. Modified/Cumulative Method

1. Full Retrospective Method

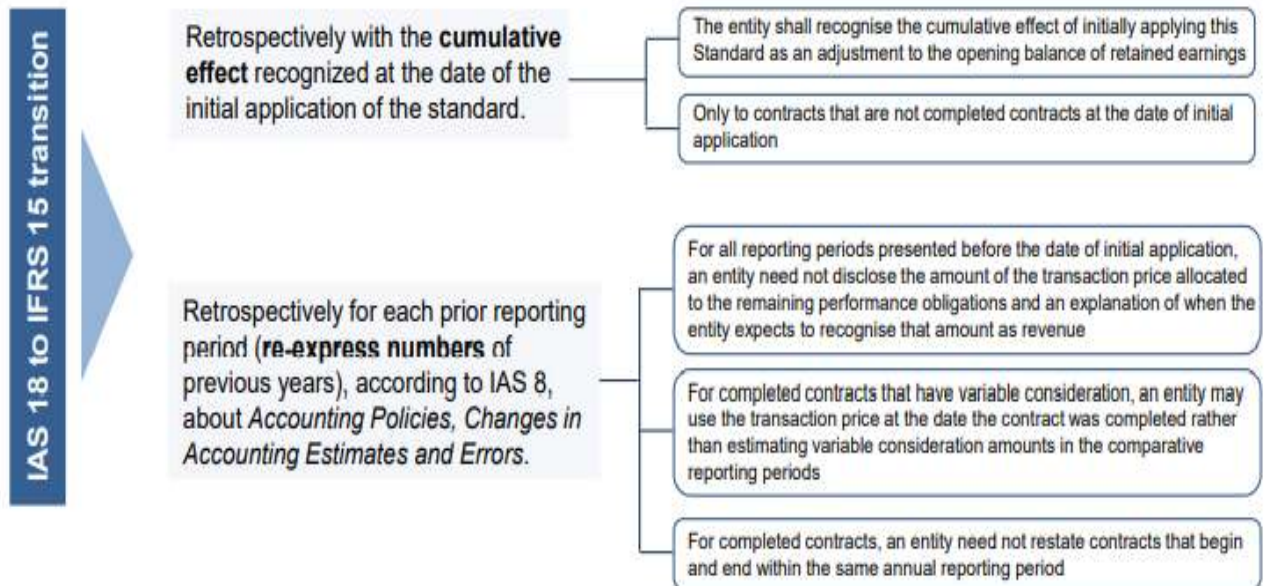
The Full Retrospective Method is one of the aspects in which the financial preparer faced practical difficulties in implementing IFRS 15 when preparing the financial statement for the first time. Under this entity, the number of periods prior to the initial application period to which IFRS 15 applies must be selected. This would enable the users of the financial statement to understand the effects of the new IFRS 15 on the financial statement.

In order to reduce the practical difficulties faced by the preparer of the financial statements, IASB also implemented three expedients to ease its transition to IFRS 15 (Deloitte, 2018).

2. Modified/Cumulative Method

The above method was found to be quite burdensome by financial statement preparers and auditors, and even after the expedient, it was a hectic and costly method to implement, resulting in the introduction of the second method, i.e. Modified/Cumulative method. Under this method, for the first time, the effects of the implementation of IFRS 15 would be provided by means of an adjustment to the retained earnings. No adjustments will be made to the previous period, which reduced the complexity of the first method and made the implementation of the method practically easy and cost-effective. Moreover, this method applies to non-completed contracts at the date of the initial application, but the biggest limitation of this method is that it does not provide comparative analysis (Deloitte, 2018).

Figure 11 Transition Methods for IFRS 15 implementation



Source:- De Los Santos Valle (2019).

2.4 Critical Evaluation of IFRS 15

According to research done by the Committee of Sponsoring Organizations of the Teadway Commission (COSO), overstating revenue accounted for more than half of all financial reporting frauds committed by US public firms between 1987 and 1997. When a company's financial statements have a problem, investors are more worried about revenue recognition than any other reporting issue (Dalkilic, 2014). Bierstaker *et al.* (2016) performed research in the United States that studied 176 financial managers' ability to apply the revenue recognition standard effectively, and the results revealed that the managers were either misapplying or did not comprehend the revenue recognition standard.

IFRS 15, as compared to previous recognition standards, has more complex rules and it takes time to understand the requirements and the practical application to each contract (Peters, 2016).

2.4.1 Impacts of IFRS 15 on the work of the accountant

According to Oyedokun (2016), the impact of IFRS 15 depends on the industry and the business model. A study by Tysiac (2014) found that the major impact of IFRS 15 is on three industries; telecommunications, real estate and software. Telecommunications providers recognize more revenue when the phone is delivered, and less revenue when services are billed and professional judgment is used to determine incremental purchase costs and upfront direct costs to complete contracts. Software companies can see improvements as intellectual property licenses are recognized over time, while licenses that only provide access to intellectual property are recognized at a point in time. There is no explicit guideline for real estate firms about whether or not a sale can take place depending on the seller taking possession. New benchmarks for recognition over time, "based on compensation for accrued expenses and fair benefit," disaggregation of performance obligations, "e.g., should embedded services be paid for separately, and" nonrecourse seller financing, "in which the seller must use judgment to determine whether the purchaser is creditworthy (Tysiac, 2014).

However, according to Price Waterhouse Coopers (2016), almost two-thirds of survey respondents do not anticipate a material effect on their income statement. This suggests that while estimates for a large number of businesses are unlikely to change significantly, future financial statements are likely to have further disclosures.

According to Peters (2016), only a few industries would be highly impacted due to IFRS 15, such as telecommunications, aerospace and pharmaceutical industry. Furthermore, it has an influence on businesses or sectors that have complicated and multiple contracts, such as long-term service contracts or multiple-element agreements.

The impact of IFRS 15 on the amount and/or timing of revenue recognition is significant, particularly in the construction and software sectors. (Tong, 2014).

As per the report issued by KPMG (2016), revenue recognition for the sale of licenses and intellectual property would have a high impact as new criteria for revenue recognition differ significantly from the previous standard. Furthermore, companies that supply multiple products and/or services, such as the telecommunications industry, would face a significant impact because the new revenue recognition treats it as a separate obligation that must be accounted for separately. IFRS 15 has a five step model for revenue recognition and the below diagram explains which type of industry would be affected by which step out of the five-step revenue recognition (KPMG, 2016).

Figure 12 Industries impacted by 5 step revenue recognition norms of IFRS 15

Industry	Step				
	1	2	3	4	5
Aerospace and defense	✓	✓	✓		✓
Asset managers			✓		
Building and construction			✓		✓
Contract manufacturers					✓
Health care (US)	✓		✓		
Licensors (media, life sciences, franchisors)	✓*	✓	✓		✓
Real estate	✓	✓			✓
Software		✓	✓	✓	✓
Telecommunications (mobile networks, cable)		✓		✓	

* In particular, life sciences.

Source :- KPMG (2016).

2.4.2 Implementation Challenges of IFRS 15

To understand the generic challenges for implementing IFRS on an organization level, research was carried out by Weaver and Woods (2015) with six auditors and eight consultants who had experience of over 170 transition projects in Canada, EU,

UK and Australia. The research finding revealed the following aspects: (1) a lack of proper education and training and (2) the mindset that the sole responsibilities for the transition lay with accountants. It also concluded that language barriers and cultural factors influence the translation and interpretation of IFRS. In contrast to the previous study, Rotberg (2016) found no link between culture and the choice to adopt IFRS, which was also corroborated by Clements, Neill, and Stovall (2010).

There are two in-depth research studies which deal with issues faced during the implementation of IFRS 15 (Khamis, 2016; Peters, 2016). The findings of the above research are very valuable for the current research proposal such as unfamiliarity with IFRS 15, its method of revenue recognition, IFRS 15 implementation goes far beyond accounting and needs continuous monitoring. The implementation process is complex, difficult, costly and time-consuming. Furthermore, determining the transaction price, allocating the transaction price, separating performance obligations, and applying the financing component to the transaction price all involve substantial judgment.

However, the research studies have their own limitations. The Limitations of Khamis (2016) were that it concentrated on Egyptian auditors and preparers. The Limitations of Peters (2016) were that it concentrated on Belgian preparers and the research was based on 18 answered surveys and a single interview with a CFO. As the sample size was low, the results were not that accurate.

A study conducted by GAAP Web (2015) regarding the implementation issues for IFRS 15 revealed that 30% of the financial experts' biggest issues were in allocation of revenue and accounting estimates, whereas 17% faced issues with implementing new systems and processes. Another 14% mentioned that disclosure and presentation are a big issue. To further investigate the implementation challenges faced by the organization, Price Waterhouse Coopers (2016) found that 68% of the organization's system up-gradation and the associate controls required for IFRS 15 would be the most challenging aspect and 60% expected that the overall cost would be between 0.5 to 1 million.

Further, it was noted that the governance structure including a steering committee and executive sponsorship across various departments such as finance, IT, investor relations and tax is necessary (Tysiac, 2017). A new aspect was brought out by Forshay (2017), which states that sufficient and efficient training must be provided to qualified accountants and their staff for the auditing purpose.

Examination was carried out for the implementation errors for IFRS 15 for the first time and it concluded that the higher the quality of the CFO and auditors, the likely chances of error would be lower (Loyeung *et al.*, 2016).

An interview was carried out with 32 corporate stakeholders of different countries to evaluate implementation of IFRS across various country and it found that Italians spent money and time on understanding the principles and its potential effects whereas as compared to UK stakeholders they had higher cost for consultation and engaging with IASB (Fox *et al.*, 2013).

Bierstaker *et al.* (2016) looks at the issues of IFRS adoption in Turkey and the potential implications. According to the results of a survey completed by 90 firms, the transition to IFRS is an expensive, complicated, and burdensome phase for Turkish companies, with major obstacles including a lack of implementation guidelines, sector-specific legislation, and the enforcement of fair value.

Culture, stakeholder education, and applicable IT processes within businesses are the primary drivers and challenges for firms undergoing an IFRS conversion. Because of the complexities of IFRS conversion, a well-defined project management plan is needed (Haggenmüller, 2019)

2.4.3 Professional judgement and its implication

Professional judgement can be defined as well –grounded judgement during uncertainty, based on professional skills, knowledge and experience of an accountant. Generally, professional judgement is used in the absence of legal rules and regulations, which would describe the method of accounting in making accurate and reliable financial statements which will be used by the stakeholders for making investment decisions (Derun, 2017, p.28).

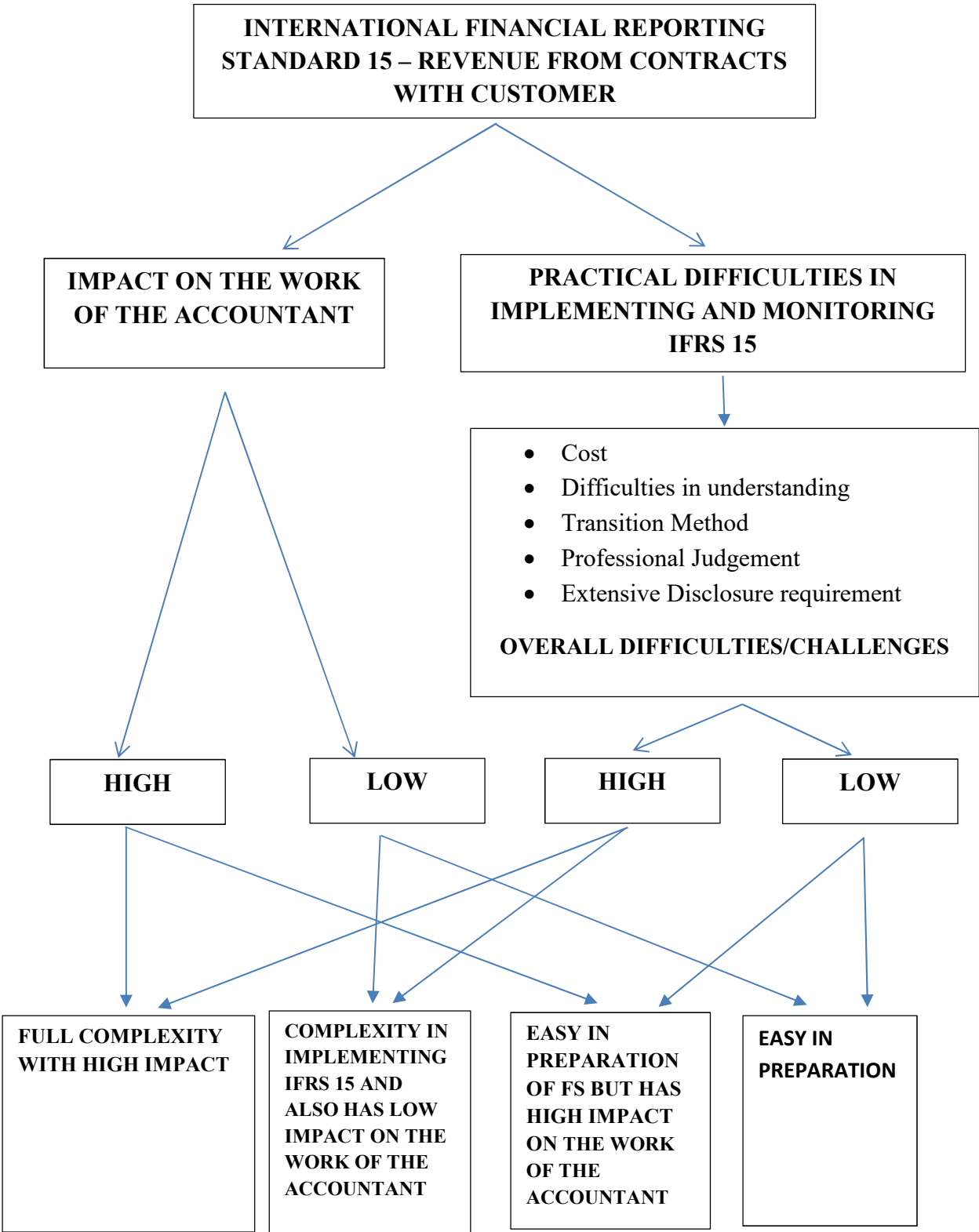
According to the research carried out by Alali and Cao (2010), the interpretations of IFRS are based on national interests and biases and thereby reduce reliability and credibility due to various interpretations. However, according to McCarthy and McCarthy (2014), financial managers can make more accurate revenue recognition decisions using principles-based standards rather than rule-based standards because principles-based standards are less biased in financial reporting and result in improved financial reporting quality, which may lead to increased revenue recognition (Collins *et al.*, 2012).

2.5 Theoretical and Conceptual Framework

As per (Camp (2001), Conceptual Framework is a natural progression of the topics which are to be studied under the research conducted. Moreover, Peshkin (1993) stated that the conceptual framework would include information which links to various concepts, empirical research and the literature theories that are being used by the researcher to present the information collected by them.

Informed by the literature reviewed in this chapter, this research will examine IFRS 15 and its impact on the work of the accountant and practical difficulties faced during the implementation of IFRS 15 while preparing the financial statements. There is an absence of empirical literature on the impact and practical difficulties associated with IFRS 15 in the telecommunication industry in Ireland. To this end, the present study applies the theories, commentary and findings of prior overseas research to the Irish context.

Figure 13 Conceptual Framework for the Research Paper.



Two most important factor are the impact of IFRS 15 on the work of the accountant and practical difficulties while implementing and monitoring IFRS 15. Moreover, practical difficulties have other participator variables such as cost of implementation, complexity in understanding IFRS 15, professional judgement, the transition method selected and the extensive disclosure requirement which will determine the magnitude of the practical difficulties of IFRS 15.

After analysing both these aspects in detail, the researcher will then classify the factors as being of high or low magnitude. Depending upon the magnitude, researcher will create four categories such as

- Full Complexity with high Impact
- Complexity in Implementing IFRS 15 and also has Low Impact on the work of the accountant
- Easy in preparation for FS but has High Impact on the work of the accountant
- Easy preparation

The researcher seeks to identify which category the telecommunications industry in Ireland best fits into. Before doing so, it is necessary to explain all the four categories in detail.

The impact on the work of the accountant could be categorised as high or low depending upon the materiality calculation for that particular company. As per ISA 320 “Materiality in planning and performing an audit”, any amount can be considered as material if they individually or in aggregate expects to influence the economic decisions of users of the financial statement. Benchmark calculation for materiality is as follows.

The Benchmark calculation for materiality is as follows.

- 50% to 1% of Revenue

- 1% to 2% of Total Assets
- 2% to 5% of Net Assets
- 5% to 10% of Profit after tax (McWall, n.d.).

If the impact of IFRS 15 on the work of the accountant is more than the materiality level, it would be classified as "High" and if the impact is below the materiality level, it would be classified as "Low"

Practical difficulties in implementing IFRS 15 would have multiple parameters to consider. This would have quantitative and qualitative parameters to be classified as "High" or "Low". Parameters identified would be cost, difficulties in understanding IFRS, transition method, usage of professional judgement and extensive disclosure requirements. Cost is considered as a quantitative parameter and the basis of categorising it as "High" or "Low" would be based on the materiality concept as explained earlier. Qualitative parameters would be very subjective and would depend on person to person. It would be classified as "High" or "Low".

The telecommunications industry has many customers, and almost every month they have new product and service packages that are bundled with Multiple Element Agreements. Furthermore, customers can easily and frequently modify their existing contracts to include the new package, and as a result, the implementation of IFRS 15 has a significant impact on the financial statements and on the work of the accountant. The author is of the opinion that the telecommunication industries in Ireland would fall under the Full Complexity with High Impact category. However, the findings in this research will be considered as a conclusion to this research.

2.6 Conclusion

The author intends to use the above emerged literature and the developed framework to address the objective of this research. The above literature is primarily focusing on IFRS 15 and its core concepts related to revenue recognition. After understanding those core concepts, the author tries to critically evaluate literature for the impact of

IFRS 15 on the work of the accountant and understand practical difficulties/challenges in implementing IFRS 15 on an organization. Critically evaluating all the literature discussed above, the author is of the opinion that due to the implementation of IFRS 15, every company, irrespective of the industry type, has been impacted in some or the other way. However, the magnitude of impact depends on the type of industry they are in and the type of contracts entered into with customers. The author found that most companies found difficulties in implementing IFRS 15 in the practical scenario in the company. Various reasons contributed to practical difficulties, such as vast disclosure requirements, cost of implementing IFRS 15, involvement of professional judgement while applying IFRS 15, selection of transition method and overall understanding of IFRS 15.

3. Methodology and Research Design

This chapter describes the methodology undertaken. The philosophical implications of the research strategy and the rationale for the methods chosen are discussed. The data collection procedure is outlined and the necessary ethical considerations considered.

3.1 Research Paradigm and Overall Approach

Research is a process which a researcher undergoes to represent the information available in a well-defined organised and expressive way (Saunders *et al.*, 2019). Many times, people are believing that research method and research methodology are the same, however they are in fact different as explained by Greener (2008). Research method refers to techniques such as the collection of primary data by different ways such as questionnaires or interview. Whereas research methodology focuses on the research philosophies and the way it is structured for carrying out the study such as inductive approach or interpretive philosophy. The present researcher's preference is to adopt an interpretive philosophy and the methods used to evaluate the primary data are semi structured interviews with a population. These preferences are based on the research objectives.

The logical reasoning behind selecting this approach was, as the researcher wanted to explore more in depth and to understand people's perception of IFRS 15, the researcher selected an inductive approach following a semi-structured interview.

3.1.1 Research Philosophical Stance

Research philosophy is a type of inquiry related to the development of knowledge and its nature. Research methods and philosophies have an overlapping evolutionary process. The 'Research Onion' developed by Saunders *et al.* (2019) will describe all the choices which are available to the researcher. By cutting the onion or by way of peeling it, it allows researchers to consider four philosophies, i.e. realism, positivism, pragmatism and interpretivism.

It is necessary to choose a methodology that would cater to the needs of the study, by answering the research objectives. If researcher choose a philosophy and research

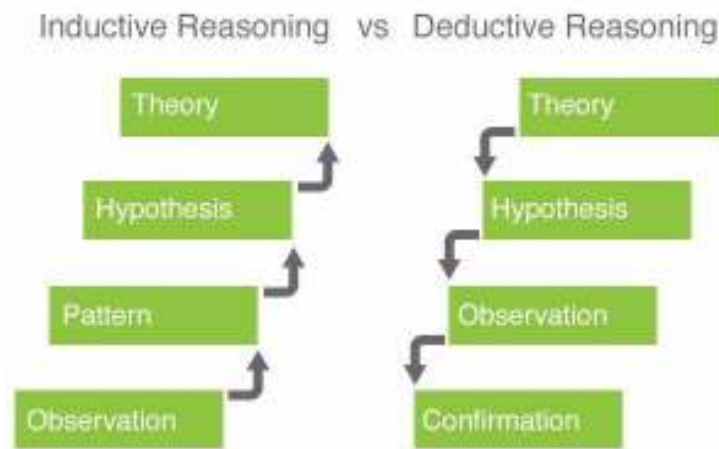
method that are not in line with the study's questions, researcher may end up with incorrect or inaccurate data findings and conclusions. Basically, research philosophy relates to the development of knowledge and its nature(Saunders *et al.*, 2019). After reviewing the research onion's philosophies, the author will choose an interpretive philosophy with an inductive approach for this research study.

Research philosophy relates to the development of information/knowledge and its nature (Saunders *et al.*, 2019)

3.1.2 Research Approach - Logical Reasoning (Inductive or Deductive)

The inductive approach is always preferred over the deductive one by researchers for theory development. As per Saunders *et al.* (2019), for research on social sciences, an inductive approach is preferred, whereas for research based on natural science, a deductive approach is used. In addition, an inductive approach is appropriate for Interpretivist philosophy.

Figure 14 Comparison between inductive and deductive reasoning.



Source:- Saunders et al. (2019).

For building knowledge about subjects that are not deeply studied, an inductive approach is best considered, according to Lodico *et al.* (2010). Therefore, a study that aims to present new insight about the impact of IFRS 15 on the work of the

accountant and the practical difficulty in implementing IFRS 15 requires an approach that allows enough flexibility for the researcher to go deeper in the analysis.

According to Gratton *et al.* (2014), the focus is not on business social responsibility but to provide awareness that is unknown. So, the inductive approach would be the most appropriate.

The main problem with the inductive approach is that if the perceptions and observations of the researchers are wrong, then the findings and conclusions of the study are incorrect (Gratton *et al.* (2014); Alexandridis, 2006).

The investigators have assessed the advantages and restraints of the research program and have negotiated that the strategy will not have an impact on the quality and validity of the data accumulated. A limitation which is attached with each study using an inductive approach is the risk of bias due to wrong observations (Lodico *et al.*, 2010).

3.1.3 Primary Research Paradigm – Interpretivism

Interpretivists perceive that in the whole world there is no universal rule of thumb for carrying out social science research as it all depends on the different people who perform their research in different situations and scenarios, which will automatically produce different outcomes (Hammersley, 2012).

The ultimate goal of interpretivist research is to develop a new and richer understanding of social worlds and contexts (Saunders *et al.*, 2019). Interpretive research will not have the objective of generalization.

Since the author will have its focus on the perceptions of the participants, Bell *et al.* (2018) suggest that the Interpretivists approach will incorporate interpretations and flexibility.

The limitation of using interpretive philosophy is that the researcher will not be able to generalise the result of the research (Cohen *et al.*, 2013). Moreover, Mack (2010)

stated that the outcome of the research with Interpretivists philosophy will be affected by the researcher's perception and its point of view because this philosophy tends to be "subjective" instead of "objective".

3.2 Research Objective and Hypotheses

This section re-introduces the objectives presented in Chapter One and introduces the hypotheses which will be tested in this study.

3.2.1. Research Objectives

The two primary objectives of this study are to examine:

1. The impact of IFRS 15- Revenue from Contracts with Customers on the work of the accountant.
2. The practical difficulties in the actual implementation and monitoring process of IFRS 15-Revenue from Contracts with the customer during accounting and preparation of financial statements of the telecommunication industry in Ireland

3.2.2. Research Hypotheses

In order to achieve these objectives, the following hypotheses are tested:

- H_{10} IFRS 15 has had no impact on the work of the accountant.
- H_1 IFRS 15 has impacted the work of the accountant.
- H_{20} No practical difficulties have been experienced in the implementation of IFRS 15.
- H_2 : Various practical difficulties have been experienced in the implementation.

3.3 Research Design

Research Design is an operational framework within which various factors are laid in such a way that their significance comes out very clearly which can be put into action in a particular context (Leedy, 1989 cited in Keogan, 2020).

The research design for this study would be exploratory. As per Robson (2002), the reason for selecting this method is the researcher will have a better chance of understanding what is happening, to have new and better insights and to ask questions and to assess the phenomena on a new horizon. Moreover, as per Kothari (2004), it was argued that exploratory research does not focus on proving a theory, rather it would assist in developing knowledge.

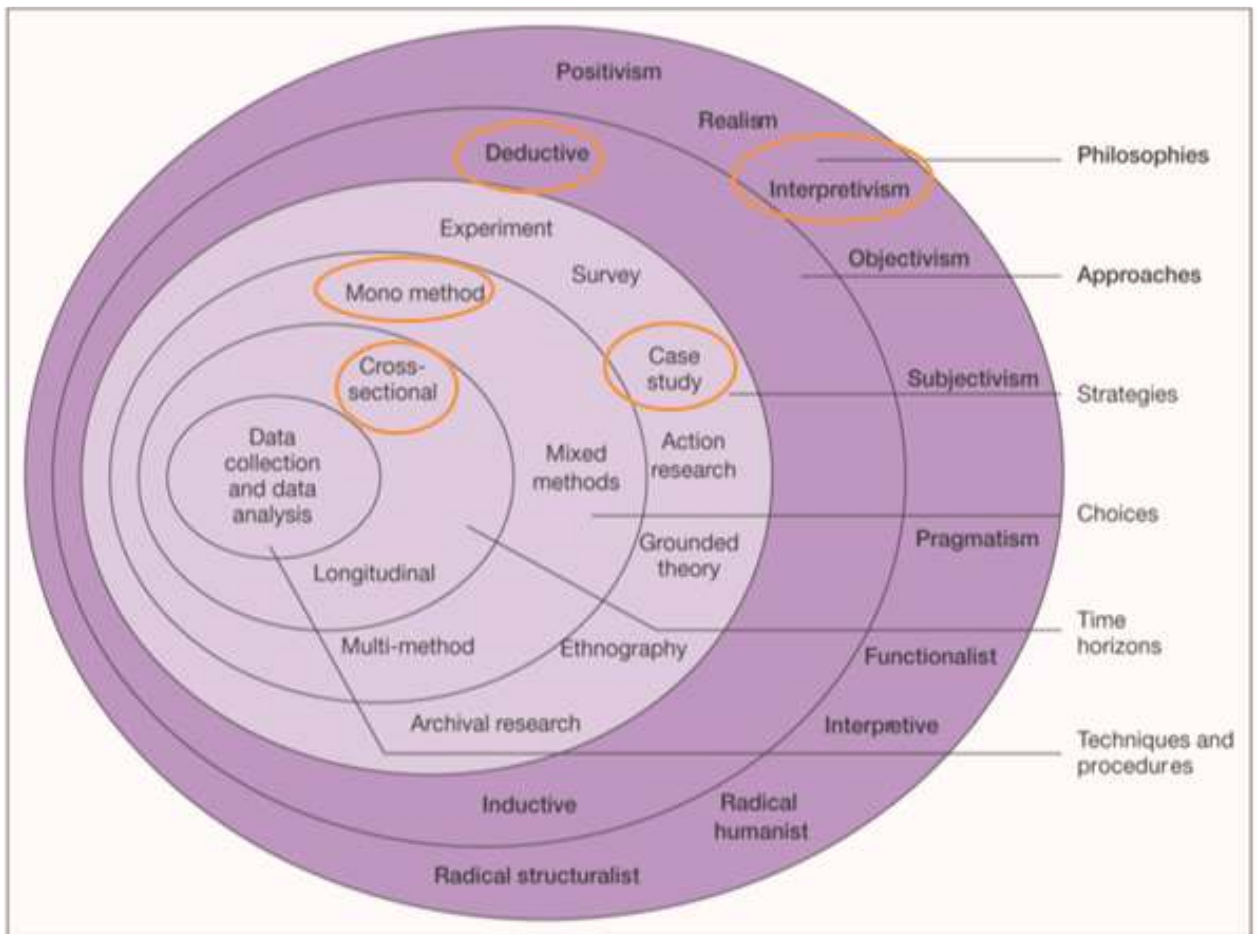
According to Saunders *et al.* (2019), research design is considered to be the most important aspect of the research process which determines the process of identification, assessment and application of research techniques and methods. The selection of research methodology, tools (devices) and methods (techniques) used during the research process are governed by the research paradigm and the overall approach chosen.

3.3.1 Research Strategy

Researchers would use qualitative research as it would be the best method as researchers would be using interpretive philosophy. As per Saunders *et al.* (2019), it states that when the analysis comes from words or pictures, their meaning, many times, it would be unclear and it could be clarified through the interview process.

The philosophical domains chosen for this research proposal are depicted in the Research onion by Saunders *et al.* (2019) below.

Figure 15 Research Onion.



Source: Layers of an onion highlighted with the philosophies, approaches, strategies, techniques that have been chosen in this research journey cited in Saunders et al., 2009

Qualitative research, as described by Strauss and Corbin (1990, p 11), is a type of research wherein the conclusion are not derived from “statistical procedure”. Moreover, “qualitative research is a multi-method in focus and involves a lot of interpretive, naturalistic approach to its subject matter” as per Denzin and Lincoln (1994, p. 2).

In support of qualitative research, Denzin and Lincoln (2002) suggested that qualitative research helps to understand “human experience” in a better way rather than quantitative research.

On the contrary, researchers have suggested that qualitative research puts too much emphasis on the perception and the experience of the participants and gives less importance to the environment (Cumming, 2001; Silverman, 2010). Moreover, qualitative research might receive low credibility when compared to quantitative research (Sallee and Flood, 2012; Berg, 2009). Furthermore, qualitative research ignores other variables of the study and keeps the prime focus on feeling and perception.

After critically evaluating all the benefits and the limitations of the research strategy for this study, it is concluded that the strategy selected would not be affect the quality and validity of the data gathered. To address the research objective, this study will in fact benefit from qualitative research.

The author has decided to study telecommunication companies in Ireland in relation to preparation of financial statement for the revenue recognition model. The objectives of this research are to understand the impact of IFRS 15 on the work of the accountant and the practical difficulties faced by the telecommunication industries in Ireland.

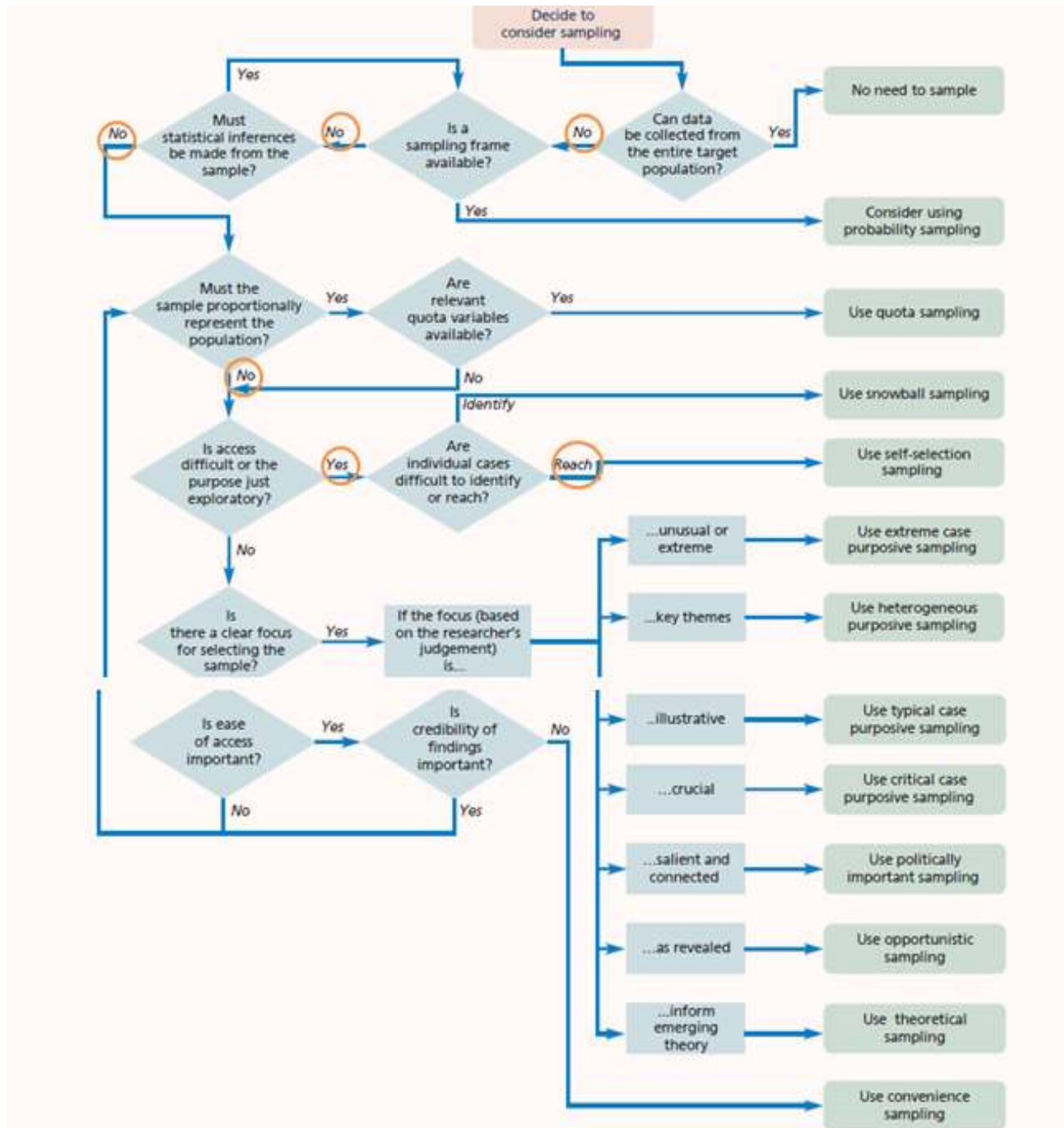
3.4 Research Methodology

In this section, the researcher discusses the overall research methodology which involves justification, choice and certain limitations of the decisions made towards sampling technique, criteria for participants in the research.

3.4.1 Sampling

An extremely crucial thing for research strategy, whether qualitative or quantitative, is the sampling and sample size. Saunders *et al.* (2019), has explained the flow chart of selecting non-probability sampling technique. The self-selection sampling is primarily used for this research.

Figure 16 Selecting a non-probability sampling technique.



Source: Flowchart to adopt a suitable sampling technique as cited in Saunders et al., (2009)

Researchers generally prefer non-probability sampling rather than probability sampling. A random selection of participants is done in probability sampling, whereas the researcher can choose the participants subjectively by using non-probability sampling (Bell *et al.*, 2018b).

According to Saunders *et al.* (2019), while using non-probability sampling, the researcher can choose the participants from the pool that will enable him to address his research objectives.

In non-probability sampling, the major limitation is that the researcher will not know that he is addressing the population on a true basis (Allen, 2017).

A self-selection sampling is selected as a sampling method for non-probability sampling. By using Self-selection sampling, the researcher selects the respondents which have unique characteristics to address the research objectives (Koerber and McMichael, 2008). According to Coyne (1997, p.624), the researcher chooses the participants knowing the needs of the research instead of having random interviews which would not be fruitful.

As per the previous study, qualitative studies present a minimum sample size of at least 12 interviews to allow for data saturation (Guest *et al.*, 2006; Braun and Clarke, 2016).

On the other hand, authors are of the opinion that sample size differs according to the nature and need of research. According to Vasileiou *et al.* (2018), the size of sample should focus on “pragmatic considerations” like time constraints for the dissertation and shortage of respondents due to distance or other variables.

Quality is more crucial than quantity, as in qualitative research the generalisation is not the main objective as per Koerber and McMichael (2008).

3.4.2 Samples and Participants

The researcher has selected a sample of qualified accountants who are present in Ireland and who have the requisite knowledge of the IFRS 15. Those qualified accountants either work as accountants in telecommunication companies or audit telecommunication companies.

This sample is selected as they are responsible for preparation of the financial statement and possess that knowledge to understand the interview questions.

3.4.2.1 Sample Size

Based on the commentary in Subsection 3.3.1, semi-structure interviews of around six to seven individuals are assumed to offer sufficient data to understand patterns and interpret their understanding about the research topic. These participants are self-selected by the author through his professional network. In order to get a more quality and rich data with regards to the research topic, the author has aimed to achieve a mix of gender, age and roles of qualified accountants who are working in the industry and the one who is auditing those companies.

3.4.3 Nature of Data – Semi-structured Interview

The nature of data gathered through semi-structured interview from this study will be video/audio recording of the response in the form of verbal data. This information will then be converted to textual form and recorded in the research diary. The questions would be designed based on the below themes to answer the research inquiry of this study. Moreover, the questions tend to be informal and jargon free. The themes are: -

- Accurate and requisite knowledge of IFRS 15
- Impact caused by IFRS 15 on the work of the accountant
- Practical difficulties in implementing IFRS 15 during the preparation of financial statement.

Types of questions that are asked during the interview process: -

- Narrative/Open Questions-Unstructured/Semi-structured questions – This will enable the participants to give an extensive response which could enlighten the viewpoint (Grummitt 1980 cited in Saunders *et al.*, 2009). Questions will start with What, Why or How.
- Probing questions – This would enable us to have deeper understanding from the participants if the response is not rationale.

Questions would be framed as: -

- What is your understanding of IFRS 15?
- What impact has IFRS 15 caused on the work of the accountant?
- What are the practical challenges faced while implementing IFRS 15 for the preparation of the financial statements?

3.5 Data Collection Process

In this section, the researcher will explain the data collection process.

Interview is the best used primary source data collection method in the case of qualitative studies/research. Moreover, apart from this observation, archival documents can be another option (Bell *et al.*, 2018a).

Given the constraints of time during the dissertation process, researchers chose the mono-method qualitative approach for primary data collection, employing semi-structured interviews. This type of semi-structure interview allows the researcher to explore different topics and participants would still have the freedom to talk freely (Saunders *et al.*, 2019).

According to Diccico-Bloom and Crabtree (2006), the duration of the interview would be between “Twenty five minutes and more than an hour to complete”. Moreover, Japac (2005) supports that the interview process should be for at-least 45 minutes for an academic interview as this would allow researchers to gather sufficient data to address the research objectives. The researcher has decided to follow the approach of Japac (2005) for the interview’s duration.

The researcher interviewed seven participants. The selection process of the participants is based on the qualifications they have and, moreover, they must pertain to the telecommunication industry either directly or indirectly. Qualification which would be mandatory for the participants for this interview would be a qualified accountant in Ireland, so they could be Association of Chartered Certified Accountants (ACCA), Certified Public Accountants (CPA), and Chartered Accountants (CA).

All the interview questions would be critically evaluated based on their reliability and validity, which would be used to gather information for the primary source of data.

Qualitative data can be of different type: Verbal, Visual, And Textual data. The researcher collected verbal data with the help of interview. All the interviews have been converted to transcripts. There were two types of questions which were used by the researcher during the interview: open and probing questions. With this different types of question, interviewees have more freedom, however the researcher would still be able to control the interview process by bringing the interviewee back to the topic if have got distracted it the main research topic (Saunders *et al.*, 2019).

The use of probing question during the interview provoke more clarification in the response of the participants (Gerrish and Lacey, 2010). Moreover according to Smith *et al.* (2009), the need for the probing question are to clear the ambiguity or for abstract questions that need more details.

3.5.1 Semi-structured Interview Data Collection

This process was implemented with a very tight schedule as shown in the Gantt chart. However, an attempt was made to try and best fit this to get the best and most efficient result of this study. All the participants were contacted via email which contained the instruction in plain language statement (Appendix C) and an informed consent (Appendix D) form explaining to them their role in the research. After their consent, suitable audio/video of the online meeting via Zoom was scheduled to conduct the interview process with an email to participants containing zoom meeting link (Appendix B).

The questions were designed in such a manner that it was not a direct precise question; rather it was more like a memorandum where the set of questions were used as a guide. The interview process was divided into two sections, where one of the sections focused on open-ended questions and the other focused on more precise and specific closed-ended questions. These open-ended questions were followed by more probing questions.

3.5.2 Sources of Data

The qualitative approach has primary sources as interviews and observations "which has systematic, iterative coding of verbal data often supplemented by other modalities" (Blandford, 2013, p.2). The author's primary goals are to confirm information that he already has (Cooper *et al.*, 2006), (Blumberg *et al.*, 2014) and to learn about respondents' perspectives on issues. It also adds that observation is research itself. Judging the impressions of an interviewee's action and interpreting would add richness to research data.

Information derived from raw data, published summaries, statistics, journals, studies, theories and concepts from books, company policy documents of organizations from their websites on the internet, archives, and earlier research surveys on the same subject available online would be secondary data in the research. With the help of audio/video scripts, researcher can understand the impact of IFRS 15 on the work of the accountant and its practical implementation challenges faced by the users of the financial statement.

3.5.3 Ethical Considerations

The researcher was very particular and compliant all the time with General Data Protection Regulation (GDPR). None of the information was compromised or shared without the express permission of the participants of the interview. As the author wanted to evaluate the opinion and perceptions of the interviewee, information such as their current position and experience was specifically asked.

The interviewee had to give their consent to proceed with the interview. They received two documents – "Plain Language Statement" and "Consent Form". The Plain Language Statement includes the researcher's name, the name of the college, the course being studied, the purpose of the study, the interview time, information that personal data will not be collected and the findings will only be used for research purposes, the names of the interviewees will not be disclosed, the interviewee can withdraw at any time, and transcripts and interviews will be destroyed.

The "Consent Form" is the form wherein the interviewee will give their consent to be a part of the research. The interviewee is required to tick the boxes confirming the interviewee's rights and they have to sign and date the form (Appendix D).

It was informed to all the participants about the voluntary participation and assurance will be provided to keep their names confidential. No personal questions to be asked for the sake of risk. An analysed result copy will be provided on the result.

As in the case of semi-structured interviews, an informal consent form will be sent requesting participants' consent and confirmation of the requirements as outlined in a plain language statement.

3.5.3.1 Research Ethics Issues in Data Collection

All the research guidelines specified by the College which ensures consistency in the research process are complied with in the research. Information regarding the participant's involvement in the study and expectations in the ethical considerations shall be informed to the participants.

Information from journals, public statistical reports, earlier conducted surveys, company policies which are quite easy to access online, though they lack strong anonymity. The data service provider has more ethical consideration as compared to the researcher in these circumstances.

3.6 Data Analysis

In the earlier section, the researcher discusses formulating the research design with a qualitative approach based on the situation and feasibility witnessed during the primary data analysis from the semi-structured interview. During the interview process, these well-prepared questions would be asked to obtain an interpretive analysis of the IFRS 15, whether there is a practical issue in implementing in the preparation of financial statements or if it is simply a lack of awareness that is causing difficulty in implementing it.

3.6.1 Semi Structure Data Analysis

From the previous sections, the qualitative data can be divided into three categories like textual, verbal and visual. This data will be part of the research and then the contextualized data will be further analysed.

Fereday and Muir-Cochrane's (2006) six step approach would demonstrate the process.

The interviews are first audio recorded, then notes are taken, and finally the entire interview is compiled to provide an exact explanation with contextual data. In the beginning, the theme was identified with concurrency, gathering codes metamorphically from the data obtained. The data category is done by matching codes derived from the conceptual framework and then further to form themes and subthemes. These themes and relationships are then linked with a conceptual framework to conclude or modify the existing theories. Themes are repeatedly reviewed and refined to make a thematic map. Finally, a thematic report will emerge.

The researcher decided to use template analysis as the approach for data analysis. It is a technique wherein the researcher has developed codes from the literature review and some other primary data. The next step after this is to apply the said code to the data collected from the interview. The coding will allow the researcher to identify the high popularity and the least popular response of the interview after categorising it code wise (King, 2012).

According to (Saunders et al., 2019), coding must be completed prior to data collection in order for the researcher to identify specific information while interviewing. During the analysis of data, researchers has identified information that relates to codes and after researcher complete the coding process, the researcher has to interpret the data collected in the interview and to write the findings.

Chapter 4 will discuss the codebook used for data analysis.

The use of self-memos and interview recording are to be used by the researcher for data collection and its analysis. According to (Saunders et al., 2019) memos are the notes taken during the interview process that are material for data analysis. Memos should be used to iterate on interview issues, as well as the literature review and contextual context, if required, in order to properly answer the study goals.

3.7 Conclusion

Academic research aims to explore and answer specific research questions (Collis and Hussey, 2013), and with the use of Interpretivists philosophy along with an inductive approach, will not only provide further knowledge but will try to dig up new empirical data which would give more and new insight about the topic.

This study will provide information about IFRS 15-Revenue Recognition for Contracts with Customers, specifically the impact of IFRS 15 on the work of the accountant and the practical difficulties in implementing IFRS 15.

4 Presentation and discussion of the findings

This chapter presents and discusses the findings of the primary data which are gathered and analysed according to the research methodology which is set out in Chapter 3, thereby testing the research hypotheses posed. There, the researcher in the earlier chapter provided the reasons for selecting a mono method qualitative approach for data collection with the use of semi-structured interviews.

In this chapter, the author will present the findings and discuss them more critically by comparing them with the current literature. Finally, the researcher will describe how this finding is related to the conceptual framework which is developed in Chapter 3 and how the conclusion will be derived using a codebook developed based on the interview question and the current literature review.

4.1 Findings and discussion from the data collected

Based on the conceptual framework, researchers have prepared two code books by critically evaluating the current literature review. Based on the purpose of this research, two types of code books are prepared: impacts on the work of the accountant and practical difficulties in implementing and monitoring IFRS 15. The codes were generated from the objectives, and they are *a priori* (theory-driven) codes.

Table 1 Coding system for data classification for the impacts on the work of the accountant.

Question	Codes	Classification as per Conceptual Framework
Needs for setting up IFRS 15	Aligning the needs of IFRS 15 across all department	High
	Continuous monitoring	High
	Closure of process bugs	High
Integration of IT department with IFRS 15	IT system, Internal Control & process adjusted with IFRS 15 - 5 step model	High
	If anyone or two of the IT systems, Internal Control & process adjusted with IFRS 15 - 5 step model	Low
Integration of Internal Control Procedure	Integrated with revenue and disclosure requirement of IFRS 15	High

	Integrated with anyone- Revenue or disclosure requirement of IFRS 15	Low
Knowledge transition of employees for IFRS 15 implementation.	Employee are trained for IFRS 15 implementation	High
Involvement of Consultants	Required Consultant support	High
Completeness of disclosure under IFRS 15 with the use of IT system	Scale 1 and Scale 2	High
	Scale 3 to Scale 5	Low

Table 2 Coding system for data classification for practical difficulties in implementing and monitoring IFRS 15.

Question	Codes	Classification as per Conceptual Framework
Professional judgement	Personal experience	High
	IFRIC Committee Support	Low
	Interpretation/Analysis by Big4	Low
Needs for setting up IFRS 15	Aligning the needs of IFRS 15 across all department	Low
	Continuous monitoring	Low
	Closure of process bugs	Low
Integration of IT department with IFRS 15	IT system, Internal Control & process adjusted with IFRS 15 - 5 step model	Low
	If anyone or two of the IT systems, Internal Control & process adjusted with IFRS 15 - 5 step model	High
Integration of Internal Control Procedure	Integrated with revenue and disclosure requirement of IFRS 15	Low
	Integrated with anyone- Revenue or disclosure requirement of IFRS 15	High
Knowledge transition of employees for IFRS 15 implementation.	Employee are trained for IFRS 15 implementation	Low
Involvement of Consultants	Required Consultant support	High
Completeness of disclosure under IFRS 15 with the use of IT system	Scale 1 and Scale 2	High
	Scale 3 to Scale 5	Low
Transparency in illustration and documentation of disclosure requirement	Professional Judgement and interpretation documented	Low

4.1.1 Background information on the interviewees

Researcher selected the participants from professional networks such as LinkedIn. The criteria set out was that the interviewee should be a qualified auditor, who are either working in some industry or are into auditing practice.

After selecting the target interviewees, some of the basic questions were asked to understand their knowledge of the subject matter of research i: e IFRS 15 and its revenue recognition model.

Basic information was collected such as their work experience they had which was specifically related to revenue recognition standards may it be the prior revenue recognition standards such as IAS 11 and 18 or the current revenue recognition standard IFRS 15.

Apartment from the work experience researcher asked about their current role in the company and how well they are familiar with the revenue recognition standards may it be current or prior revenue recognition standards. For understanding the familiarity, researcher made a rating scale from 1 to 4, where 1 would represent rudimentary knowledge, 2 would represent good theoretical knowledge, 3 would represent good theoretical knowledge with little practical knowledge and 4 would represent very good theoretical and practical knowledge

There were seven interviews, each lasting up to 30 to 40 minutes, conducted over two and a half weeks starting from 12th May 2021 to 17nd May 2021.

Table 3 Basic information about the participants.

Participants	Work Experience	Current Role	Familiarity with Revenue Recognition Standards
P1	0-2 Years	Assistant Manager	Scale 2
P2	2-5 Years	Manager	Scale 3
P3	5-10 Years	Manager at Big-4	Scale 4
P4	5-10 Years	Director	Scale 4
P5	0-2 Years	Assistant Manager at Big-4	Scale 3
P6	2-5 Years	Manager at Big-4	Scale 4
P7	5-10 Years	Senior Manager at Big-4	Scale 4

4.1.2 H₁ : The impact of IFRS on the work of the accountant

The first objective of this research was to determine the impact on the work of the accountant by the implementation of IFRS 15. Accordingly, the first hypothesis which is tested is that IFRS 15 has had an impact on the role of the accountant. Out of all the questions asked in the interview, six questions are such which directly correlates to the first objective and hypothesis.

To achieve the first objective and test the first hypothesis, the researcher will discuss the findings question by question, to get a deeper understanding of all the participants.

❖ IFRS 15 implementation needs

Chapter 2 presented a critical analysis of the implementation needs of IFRS 15 and, as per Peters (2016), it was concluded that IFRS 15 requires continuous monitoring after implementation and this helps us to understand the required structure maintained within the organization.

All the participants were of the opinion that the implementation process of IFRS 15 is a lengthy and difficult process which involves various departments working together.

According to the participants, all of them were of the opinion that various departments needed to be involved. However, when specifically asked which department needs to be involved, researchers got a variety of answers.

"Yes, based on practical experience, it can be said that IFRS 15 needs to be implemented with the help or I can say in conjunction with various departments. If IFRS 15 is implemented in isolation by the accounts department, then there would be serious repercussions and could even generate misleading figures. Hence, I personally feel that IFRS 15 needs to be implemented by the accounts department along with the IT department, finance department, and sales department."
(Participant 2).

"As I worked as a financial analyst at J P Morgan, I was never involved in the actual implementation process. However, from my reading experience, I came across one article by Big-4 which clearly stated that all the departments need to have their duties in implementing and continuous monitoring of IFRS 15. Departments apart from Human Resource (HR) are all together responsible for implementing and monitoring IFRS 15. " (Participant 1)

Now, looking at the codebook developed for the impact on the work of the accountant, it can be said that the IFRS 15 implementation setup process will require a combined effort by all the departments. This will raise the cost because it will involve multiple departments, as well as the accountants' responsibility to ensure proper communication and coordination between all departments. Moreover, accountants have to monitor the correctness of the effect of the IFRS 15 transaction. Hence, the impact on the work of the accountant is high.

Table 4 Analyzing participants response for IFRS implementation needs

Participants	Department Involved for IFRS implementation	Impact on the work of the accountant
P1	All departments other than HR	High
P2	IT, Finance, Sales and Accounts Departments	High
P3	IT and Accounts Department	High
P4	IT and Accounts Department	High
P5	All the major department of the Company	High
P6	IT, Finance, Sales, Purchase and Accounts Departments	High
P7	IT and Accounts Department	High

❖ Integration of IT department with IFRS 15.

According to Peters (2016), it was concluded that IFRS 15 requires continued monitoring after implementation and this helps us to understand the required structure maintained within the organization. IFRS 15 five step model.

Participants had a mixed view on the integration of the IT department with IFRS 15 as one of the participants was of the opinion that the existing system would be sufficient.

"Well, I think that the existing IT system along with the internal control requires very little integration as all the controls would be in existence with IAS 11 and 18. Moreover, I feel that with that little integration, the purpose of IFRS 15 can be achieved for a small or mid-sized company. However, large scale companies need to have a deeper integration based on the number of complex transactions they enter into. " (Participant 3)

However, most of the participants were of the opinion that the IT system needs to be fully integrated with IFRS 15.

"From the reading experience of IFRS 15, I believe that IT systems need to be drastically updated to incorporate all the changes which are brought by the introduction of IFRS 15. Moreover, these changes are also seen in the internal control procedure used by the company " (Participant 1)

Now, looking at the codebook developed for the impact on the work of the accountant, it can be said that there has to be a drastic change in the IT system to incorporate the changes brought by IFRS 15. These will eventually incur high expenditure on the upgradation of the IT system and accountants have to ensure the correctness of those integrations with IT systems and whether they are in line with the IFRS 15 revenue recognition principles. Hence, the impact on the work of the accountant is high.

Table 5 Analyzing participants response for IT system

Participants	Integration of IT system	Impact on the work of the accountant
P1	Yes	High
P2	Yes	High
P3	Very Little	Low
P4	Yes	High
P5	Only to some extent.	Low
P6	Yes	High
P7	Yes	High

❖ **Integration of Internal control procedure.**

"I strongly believe that with the change in the accounting standard, the IT system needs to change and with the change in the IT system, internal control procedure needs to be in line with those changes. Internal controls are critical to the organization's smooth operation; therefore, continuous monitoring of internal controls is required, and it must be in accordance with all updated accounting standards applied to the company." (Participant 4).

The above opinion was the same among all the participants, but there was a different opinion by one of the participants.

"My opinion is that there will be internal control procedures which are applicable as per the previous revenue recognition standards. Those internal control procedures would be pretty much the same as required in IFRS 15. Hence, I believe that there will not be a huge change in the internal control procedures " (Participant 3)

Looking at the codebook developed for the impact on the accountant's work, it can be stated that internal control must be changed in accordance with IFRS 15, which will incur additional costs for the company, and accountants must ensure the correctness of those internal control integrations and whether they are in accordance with the IFRS 15 revenue recognition principles. Hence, the impact on the work of the accountant is high.

Table 6 Analyzing participants response for Internal Control

Participants	Integration of Internal Control	Impact on the work of the accountant
P1	Yes	High
P2	Yes	High
P3	Very Little	Low
P4	Yes	High
P5	Yes	High
P6	Yes	High
P7	Yes	High

❖ **Knowledge transition of employees for IFRS 15 implementation.**

As per Adetoso (2014), it concluded that training and education for employees and stakeholders for IFRS 15 is the most challenging thing. When interviewed with all the participants, all were of the opinion that training of employees is mandatory.

"There is no doubt about this question, all employees have to be trained in a sufficient and appropriate manner to have a deeper understanding of IFRS 15. I believe that all the basic entries are done by the employees of the company. Hence, I feel that when the roots are strong, the probability of frauds and errors is reduced. With the proper training and upgrading knowledge, employees will be able to use the upgraded IT system in the right and effective manner and, moreover, they will be taking care of all the new controls which are kept in accordance with IFRS 15. " (Participant 6)

"Yes, I believe that training employees would incur additional costs, but as an organization, it should not look at the cost of training as those things are most necessary for the smooth functioning of the organization. The cost of training can be seen as an investment which the company is doing for its own benefits, as employees are an integral part of the organization and if trained, they would be more productive with low errors in financial reporting. " (Participant 2)

Looking at the codebook developed for the impact on the work of the accountant, it can be stated that there would be huge costs involved in training employees, but because it is considered the most important element for the smooth operation of the business, those costs are unavoidable for the organization, and if the organization saves money by not spending money on employee training, it can have a negative impact. Moreover, accountants must ensure that employees are trained and that their work is properly monitored so that there are no major deviations from the IFRS 15 revenue recognition principles. As a result, the research believes that the additional cost and monitoring of the work of employees has a significant impact on the accountant's work.

Table 7 Analyzing participants response for employee training.

Participants	Knowledge upgradation and training of Employees	Impact on the work of the accountant
P1	Yes	High
P2	Yes	High
P3	Yes	High
P4	Yes	High
P5	Yes	High
P6	Yes	High
P7	Yes	High

❖ Involvement of Consultants

During the interview process, researchers got mixed opinions about the involvement of outside consultants for implementation and monitoring of IFRS 15. Two participants were of the opinion that consultants would not be required and the rest of them were of the opinion that consultants would be required for some specific areas.

"Looking at the complex nature and vast size of IFRS 15, which is almost three times the size of both the previous prevailing accounting standards IAS 11 and 18, involvement of consultants would be required in some specific areas which are difficult to understand or are ambiguous. This would provide better clarity and there

would be a greater assurance about the correctness of the information. " (Participant 7)

However, it was contradicted by the other participant by saying *"when a company is providing proper and appropriate training to its employees and the senior management, hence all the implementation and monitoring process of IFRS 15 needs to be carried out by the employees. Moreover, all the organizations can get additional support from their annual statutory auditor, who is ultimately going to express their opinion on the financial statement. "* (Participant 5).

It was also supported by another participant who said *"generally the involvement of consultants is used in areas which are difficult or have a lack of understanding or are ambiguous. To avoid the involvement of consultants, companies have various methods to ease their difficulties or lack of understanding by looking at industry standards, and apart from that company can refer to various interpretation and analysis issued by Big-4 as they would have more experience and quality clients who would have involved consultants to resolve their issues."* (Participant 5).

Looking at the codebook developed for the impact on the accountant's work, it can be stated that the majority of the interview sample population was in favor of the involvement of consultants in some specific areas that are difficult to understand or are ambiguous. The cost of involving consultants and ensuring that the consultant is independent and they can rely on the work of a consultant and, moreover, accountants have to ensure that the work carried out by the consultant is in line with IFRS 15 would have a significant impact on the work of the accountant. However, by not involving consultants and instead relying on industry or Big-4 interpretations and analysis, the impact on the work of the accountant can be reduced.

Table 8 Analyzing participants response for Involvement of consultants.

Participants	Involvement of Consultants	Impact on the work of the accountant
P1	Yes	High
P2	Yes	High
P3	No	Low
P4	Yes	High
P5	No	Low
P6	Yes	High
P7	Yes	High

❖ **Completeness of disclosure under IFRS 15 with the use of IT system**

As per Ernst & Young (2017a), disclosures are seen as a major challenge in the course of IFRS 15. As a result, to ensure the completeness of disclosure required by IFRS 15, companies use IT systems and how well they use those systems to generate the disclosure requirement.

There was a mix of views on the maintenance of disclosures in the IT system. However, to maintain clarity on this question, researcher have kept the rating system on a scale of 1 to 5 so that researcher can get their opinions documented.

"As far as my knowledge is concerned, I think that IT systems are way too far to get the complete disclosures as required by IFRS 15. However, currently, companies are managing it externally with the help of a checklist. Hence, I would rate it on Scale 2 " (Participant 4)

On the other hand, one of the participants was of the view that *"Companies have customised their software to get the majority of the information from the system so that there is no human error. However, the completeness cannot be maintained as it is qualitative and subjective information. Moreover, steps are taken to improve the accessibility of information through IT systems. So, I think it could be on Scale 3 "* (Participant 7)

"I have been working with this audit firm for the last three years, and I have noticed that all of the main material disclosures are coming from the IT system, which is my area of concern, and for non-material disclosures, it is taken care of by maintaining a form of disclosure checklist, which is generally all qualitative information required by IFRS 15. Hence, I believe that systems are doing well at the moment for the disclosure of information. As all the material disclosures are made from IT systems, I would rate it as Scale 4 " (Participant 5)

Looking at the codebook developed for the impact on the accountant's work, it can be concluded that the IFRS 15 disclosure requirement cannot be fully integrated with the IT system, so the completeness of the disclosure requirement with the IT system is very low (Scale 1 and 2), requiring accountants to put in more effort and manually work toward the IFRS 15 disclosure requirement.

Table 9 Analyzing participants response for Disclosures.

Participants	Completeness of disclosure with the use of IT system	Impact on the work of the accountant
P1	Scale 2	High
P2	Scale 2	High
P3	Scale 2	High
P4	Scale 2	High
P5	Scale 4	Low
P6	Scale 2	High
P7	Scale 3	Low

4.1.2.1 Conclusion – Hypotheses 1

Based on the above interview data, the impact of IFRS 15 on the work of the accountant is considered to be high. The following are some of the factors that contribute to the high impact.

- Involvement of various departments is required for proper implementation of IFRS 15 and, due to that, accountants have to coordinate and communicate

with those departments to monitor the correctness of the effect of the IFRS 15 transaction.

- Integration of the IT department and internal control procedures is required, as per the interview data. These integrations would incur additional costs for the company as well as additional efforts on the part of the accountants to ensure that they are properly placed and function properly.
- Employee training and knowledge upgradation with respect to IFRS 15 is most important, according to interview data, and accountants must ensure that employees are trained and that their work is properly monitored so that there are no major deviations from the IFRS 15 revenue recognition principles.
- Participants were of the opinion that few areas require the involvement of consultants, which will attract additional costs for the company and accountants have to ensure that the consultant is independent and they can rely on the work of a consultant and, moreover, accountants have to ensure that the work carried out by the consultant is in line with IFRS 15.
- Participants believe that the IFRS 15 disclosure requirement cannot be fully integrated with the IT system, so the completeness of the disclosure requirement with the IT system is very low, requiring accountants to put in more effort and manually work towards the IFRS 15 disclosure requirement.

As a result, the study's first hypothesis cannot be rejected.

4.1.3 H₂: The practical difficulties faced in implementing and monitoring IFRS 15

The second objective of this research was to evaluate the practical difficulties faced in implementing and monitoring IFRS 15. Out of all the questions asked in the interview, eight questions which directly correlate to the second objective. The data collected using these eight questions may thus be employed to test the second

research hypothesis, that practical difficulties exist in the implementation and monitoring of IFRS 15.

To achieve the second objective and test the second hypothesis of the study, the researcher will discuss the findings question by question, to get a deeper understanding of all the participants.

❖ Professional Judgement

According to McCarthy (2012), professional judgement is used for transactions which are complex in nature or there is ambiguity in the standard.

The purpose of this question is to understand how the decision for professional judgement is taken. The grounds of taking professional judgement are most critical to understanding.

Researcher has classified the grounds for taking professional judgement into three sections:

- Personal Experience – Based on past experience and knowledge.
- Support from the IFRIC committee – Based on the IFRIC committee's interpretation issues
- Renowned Chartered Accountants – Based on the analysis and interpretations issued by renowned chartered accountants such as Big-4 and other chartered accountants' experts in their field.

Every participant had a unique perspective when it came to making professional decisions, such as-

"As I work with one of the chartered accountancy firms which is named as one of the big-4, researcher use our personal judgement based on the standards of the firm as our firm has defined a list of interpretations for complex and ambiguous transactions." (Participant 7)

"As far as researcher are concerned, the company I work with uses interpretations and analysis issued by the IFRIC committee and if all those complex transactions are still not clear, then interpretations from Big-4 would be looked at. Researcher have a team of people sitting specifically assisting IFRS and its treatments as per the nature of our work." (Participant 2)

"So, if researcher look at professional judgement and its reasons for selecting, that judgement would be based on personal judgement taken after carefully evaluating and understanding the contracts and legal aspects of the contracts. I feel that legal aspects of the contract, which were earlier not so important but now have become the most important part of evaluation as based on that researcher can take our professional judgement and decide the revenue recognition that will happen over time or at a point in time. " (Participant 4).

Now, looking at the codebook developed for the practical difficulties faced during implementing and monitoring IFRS 15, it can be said that professional judgement plays a major role. However, according to the previous classification, a person using interpretations issues by the IFRIC committee or analysis by Big-4 would be considered wiser and would reduce practical difficulties to a large extent, thus it would be classified as Low practical difficulty, whereas a person using his personal judgement would be classified as High practical difficulty.

Table 10 Analyzing participants response for Professional Judgement.

Participants	Professional Judgement	Practical Difficulties
P1	Personal Judgement	High
P2	Mix of IFRIC committee support and Big-4	Low
P3	Interpretations by Big-4	Low
P4	Personal judgement	High
P5	Interpretations by Big-4	Low
P6	Interpretations by Big-4	Low
P7	Interpretations by Big-4	Low

❖ Needs for setting up for IFRS 15.

Based on the literature review, as per (Peter, 2016) it was interpreted by the researchers that the implementation process was the key factor in determining the practical difficulties faced by the preparers of the financial statement.

There were varied responses by the participants in terms of which all departments need to be involved and, apart from the department, what things are to be taken into consideration for setting up IFRS 15.

"As researcher were very closely involved with the implementation process of IFRS 15 with one of our clients. Researcher ensured that all the departments which are directly or indirectly affected by IFRS 15, were involved with the implementation process. Researcher began by analysing various revenue streams before moving on to the legal department, as the legality of the contracts was critical in understanding whether revenue recognition would occur over time or at a specific point in time. Apart from the legal department, I think all the other necessary departments such as accounts, finance, purchase, sales, and IT would have to contribute to having a successful implementation and monitoring process of the IFRS 15. Moreover, researcher prepared a checklist of all the key matters and points which need special attention while implementing IFRS15 " (Participant 4)

"I work with one of the Big-4 and our role is basically advising or consulting the clients for the IFRS 15 implementation and monitoring process. Clients generally come when they are stuck at any stage of implementing IFRS as a whole or for any particular contract. Researcher basically have a comprehensive agenda for full implementation of IFRS 15 or part implementation according to the client's needs. Researcher follow the agenda and checklist which is prepared internally with the experience and knowledge of various industries. I believe that the IT department plays a major role in the whole IFRS 15 implementation process " (Participant 7)

Now looking at the codebook developed for the practical difficulties faced during implementing and monitoring IFRS 15, it can be said that the majority of the

participants were of the opinion that various departments need to be involved and, as various departments are involved, they will share the expert knowledge to reduce the level of difficulties faced in implementing and monitoring IFRS 15.

Table 11 Analyzing participants response for IFRS implementation needs

Participants	Needs for Setting up for IFRS 15	Practical Difficulties
P1	All departments other than HR	Low
P2	IT, Finance, Sales and Accounts Departments- Checklist for different nature of transaction	Low
P3	IT and Accounts Department	Low
P4	All Relevant Department along with checklist	Low
P5	All the major department of the Company	Low
P6	IT, Finance, Sales, Purchase and Accounts Departments	Low
P7	IT and Accounts Department - with agenda and checklist	Low

❖ Integration of IT systems and Internal control procedures

The accounting system used by the company plays a key role in preparing a financial statement as there are various regulations which are applicable to company and those authorities require different sorts of reporting. This reporting * needs to be auto generated from the accounting system to reduce the chances of error and mistakes.

When they interviewed participants for the integration of the accounting system for IFRS 15, researchers got a mix of opinions.

"Because researcher are the auditor for a number of publicly traded companies whose transactions are complex and high in volume, researcher rely heavily on system controls and system generated reports." Of course, researcher carry out a good level of audit to have a reasonable assurance on the IT systems and its reporting financial statement. With this thought in mind, I feel that the IT system should be in line with changes that come in the financial reporting standards. Furthermore, the same will apply to the internal control procedures. I certainly believe that with the change in the financial reporting standards, there has to be a

change in the IT system and with that, changes in internal control procedures are mandatory " (Participant 6)

"So, if I talk about the IT systems, the process flow with regards to revenue would have been established in the system and what I feel is that only a few parameters in the systems need updating which are critical to the process flow. Once that is done, the IT system will be ready for IFRS 15. So, overall, a few minor changes will make the system fit for IFRS 15 and I believe the same for internal control procedures. " (Participant 5)

Looking at the codebook developed for the practical difficulties encountered while implementing and monitoring IFRS 15, it can be stated that with the opinion that requires a fully integrated IT system and internal control procedures for IFRS 15, will have fewer practical difficulties because the system will take care of all the criteria specified in IFRS 15 and will produce all the reporting values. However, on the other hand, the one who says that with few changes researcher can run the IT system and internal control procedure for IFRS 15, would still require some manual interaction to get the final reporting values, which will act as a practical difficulty for implementing and monitoring IFRS 15.

Table 12 Analyzing participants response for IT systems and Internal Controls.

Participants	Integration of IT system and Internal control procedures	Practical Difficulties
P1	Yes	Low
P2	Yes	Low
P3	Very Little	High
P4	Yes	Low
P5	Only to some extent	High
P6	Yes	Low
P7	Yes	Low

❖ **Knowledge transition of employees for IFRS 15 implementation.**

Training and education for employees and stakeholders would be considered as the most critical things in understanding the practical difficulties faced while implementing and monitoring IFRS 15 (Adetoso, 2014).

All the participants were of the same opinion that employees have to be trained for IFRS 15 and its critical areas application to the company.

"Employees are a critical component of the organization, and their knowledge upkeep is critical to the company's performance. "If employees are trained, they would be able in a position to understand the system control and be cautioned for any errors made in financial reporting. " (Participant 4)

"My work profile also consists of implementing IFRS 15 for areas which are difficult for clients and with this training for employees is automatically included as I believe they are the driving force for the organization and if they are weak, the organization cannot excel in its objective." (Participant 7)

Looking at the codebook developed for the practical difficulties encountered while implementing and monitoring IFRS 15, it can be stated that employee training are required as there are areas which are difficult to understand and also act as practical difficulties in implementing and monitoring IRS 15. Hence practical difficulties are High.

Table 13 Analyzing participants response for Employee Training.

Participants	Knowledge upgradation and training of Employees	Practical Difficulties
P1	Yes	High
P2	Yes	High
P3	Yes	High
P4	Yes	High
P5	Yes	High
P6	Yes	High
P7	Yes	High

❖ Involvement of Consultants

There were mixed opinions by the participants with regard to the involvement of consultants. Two of the participants, which means 30% of the samples, were of the opinion that involvement of consultants would be an unnecessary activity.

"Researcher will divide the company into two segments: large and small. "Big companies would have good qualified people on their payroll to take care of the updates to the financial reporting standards and if employee training is done properly, then I feel that the involvement of consultants would not be required. For small companies, they would use their statutory auditor and their advice for matters which are complicated. Hence, in both scenarios, I feel external consultants would play a very little role. " (Participant 3)

"As my work profile involves integration of IT systems with IFRS 15 and any other financial reporting standards, researcher are generally hired by companies for various purposes such as employee training, software modification. Hence, I believe that it is very normal that companies hire consultants to fix the issues they have. " (Participant 2)

Now looking at the codebook developed for the practical difficulties faced during implementing and monitoring IFRS 15, it can be said that more than 70% of the samples are of the opinion that companies hire consultants to resolve their issues related to the IFRS 15 implementation and monitoring process. The reason for hiring consultants for some specific areas of IFRS 15 will indicate that they are having some practical difficulties in implementing or monitoring IFRS 15. However, if they don't hire consultants, it means companies' implementation and monitoring process is going smoothly.

Table 14 Analyzing participants response for Involvement of Consultants.

Participants	Involvement of Consultants	Practical Difficulties
P1	Yes	High
P2	Yes	High
P3	No	Low
P4	Yes	High
P5	No	Low
P6	Yes	High
P7	Yes	High

❖ **Completeness of disclosure with the use of IT system**

As per Peter (2016), one of the greatest challenges faced in IFRS 15 is with respect to extensive disclosure requirements. Hence, the purpose of the researcher is to find out the ways in which companies are managing to comply with the disclosure requirements and, moreover are they using IT systems to document those disclosure requirements. There was a mix of views expressed by the participants. However, to analyse the responses, researchers rated them on a scale of 1 to 5.

"I would rate this question on a scale of 2. I believe it is a subjective issue to consider. However, the reason for my opinion is that, according to the disclosure requirement, it contains both descriptive and quantitative information. I believe that quantitative information, such as the amount of contract assets, contract liabilities, or unsatisfied performance obligations at the reporting date, can be handled by the IT system, as can descriptive information, such as the timing of satisfaction of its performance obligation in relation to the payment terms and the effect it has on contract asset and contract liability, and an explanation of significance. This qualitative information is really very difficult to document in the IT system. Hence, I have given a rating of Scale 2. " (Participant 1)

"Previously, IT systems were not so advanced that they considered qualitative information relating to an organization's financial statements. However, systems in future will be improved to incorporate qualitative information. "Now if I speak about the qualitative information related to IFRS 15, to an extent it has started to be

documented in the IT system is low. Hence, I would rate it on scale 2 and later on in the coming years I expect that most of the disclosures required will be integrated with the IT system. " (Participant 6)

Now looking at the codebook developed for the practical difficulties faced during implementing and monitoring IFRS 15, it can be said that scale 1 and 2 would mean that the IT system is not so integrated to provide all the disclosures of IFRS 15. Hence, it would involve manual efforts to prepare IFRS 15 disclosure and hence it would be classified as high practical difficulties. However, if the IT systems are well integrated such as scale 3 to 5, then it would have low practical difficulties as there would be fewer manual efforts to prepare the IFRS 15 disclosures.

Table 15 Analyzing participants response for Disclosures.

Participants	Completeness of disclosure with the use of IT system	Practical Difficulties
P1	Scale 2	High
P2	Scale 2	High
P3	Scale 2	High
P4	Scale 2	High
P5	Scale 4	Low
P6	Scale 2	High
P7	Scale 3	Low

❖ Transparency in illustration and documentation of disclosure requirement

As per Deloitte (2018), the disclosure requirement is one of the most important changes brought by IFRS 15. Researchers are worried about how well disclosure requirements are illustrated and documented in preparing the financial statement.

"I would say 95% yes, all the professional judgement and interpretations are properly documented, like what is the basis, how it has been done and what was the thought process behind it. This is taken care of by preparing a checklist which is also monitored and updated on a time to time basis. This checklist helps to document all

the necessary professional judgement and interpretations taken during the year. "
 (Participant 4)

However, the view point of participant 1 was completely different. She said *"one of the biggest challenges is that disclosure requirements are not directly flowing from the IT system. Hence, it involves manual interference. With this manual interference, I believe that not all the significant disclosure requirements are compiled properly. Companies are currently disclosing the requirements of IFRS 15, but the completeness cannot be relied on.*

"For disclosures related to IFRS 15, most companies have prepared a checklist and this checklist was prepared in conjunction with the statutory auditors of their companies so that they have an extensive and comprehensive checklist. Now, with the help of this checklist, I believe that yes, to some extent, IFRS 15 disclosures are transparently documented and illustrated in the financial statement of the companies.
 " (Participant 7)

Now looking at the codebook developed for the practical difficulties faced during implementing and monitoring IFRS 15, it can be said that when qualitative information such as professional judgement and interpretations used are properly documented, then the practical difficulties are less and if not documented properly, that would indicate high practical difficulties in implementing and monitoring IFRS 15.

Table 16 Analyzing participants response for Transparency in Disclosures.

Participants	Transparency in illustration and documentation of disclosure requirement	Practical Difficulties
P1	Not all the professional Judgements and interpretations are documented	High
P2	Yes, Only to some extent	High
P3	Yes	Low
P4	Yes	Low
P5	Yes, Only to some extent	High
P6	Yes, Only to some extent	High
P7	Yes, Only to some extent	High

4.1.3.1 Conclusion – Hypotheses 2

Based on the above interview data, practical difficulties faced during implementation and monitoring of IFRS 15 are considered to be high. The following are some of the factors that contribute to the high impact.

- Professional judgment is regarded as one of the most difficult aspects of IFRS 15. However, there are various analyses provided by large accounting firms such as EY or Deloitte, and using those analyses and reports, the practical difficulties have been reduced.
- As various departments are involved in implementing and monitoring IFRS 15, their expert knowledge would be very beneficial and it would reduce the level of difficulty.
- Because the system will handle all of the revenue recognition principles and disclosure requirements of IFRS 15, full integration of the IT system and internal control procedures will reduce practical difficulties. However, because those integrations have yet to be implemented, the practical difficulties are high.
- Employee training and the involvement of consultants are required for the implementation and monitoring process of IFRS 15. This means that there are areas that are difficult to implement and monitor due to the consultants and employee training required.
- Participants believe that the IFRS 15 disclosure requirement cannot be fully integrated with the IT system, so the completeness of the disclosure requirement with the IT system is very low. It would involve manual efforts to prepare those disclosures. As a result, the practical difficulties are extremely high.

- Participants agreed that transparency in disclosure requirements exists for a few companies but not for all, implying that there are still practical difficulties in meeting transparency in disclosure requirements in accordance with the principles of IFRS 15.

As a result, the study's second hypothesis cannot be rejected.

4.1.4 Overall Objective

This section will give a concluding idea about the research carried out by the researcher. Under this section, the researcher has two questions to ask the interviewee and the researcher has carefully evaluated both the answers.

- ❖ **IFRS 15 removes inconsistencies and weaknesses in previous revenue recognition requirements and provides a more robust framework guidance that would be useful in addressing revenue recognition issues.**

Views of all the participants were in the same line and were of the opinion that revenue recognition has been guided and harmonised by the implementation of IFRS 15.

"Yes, compared to the earlier revenue recognition standards, IFRS 15 has provided a more robust framework guidance for revenue recognition and made everything streamlined. There were issues in the earlier revenue recognition standards that were solved by the implementation of IFRS 15 and if researcher compare all the earlier standards they were not even half the pages as the IFRS 15, as it has more detailed step by step guidelines for revenue recognition. " (Participant 4)

"I wholeheartedly agree with the given statement, and after reading and comprehending IFRS 15, I began to believe that IFRS 15 has brought about a significant change for some industries that were utilizing revenue recognition, and with the implementation of IFRS 15, companies all over the world will have the same revenue recognition principles applicable, increasing transparency and comparability."(Participant 2)

After the responses of all the researchers concluded that IFRS 15 has been a more detailed guidelines on revenue recognition and has proved to be a more robust framework. Moreover, it has harmonised the revenue figures in the financial statements all over the world.

Table 17 Analyzing participants response for IFRS 15 Framework Guidelines.

Participants	IFRS 15 a robust framework guideline for revenue recognition
P1	Yes
P2	Yes
P3	Yes
P4	Yes
P5	Yes
P6	Yes
P7	Yes

❖ Telecommunication industries and impact caused by IFRS 15

This was the last concluding question and it targeted towards applying the knowledge of all the prior questions for the telecommunication industry and analysing whether there is a high or low impact due to the implementation of IFRS 15.

The researchers received the response from all the participants and all expressed that IFRS 15 has a high impact on the work of the accountant of the telecommunication industry.

"Certainly, the telecommunication industry is highly impacted by the implementation of IFRS 15. This can be understood with the five-step revenue recognition model and the telecommunication industry is almost affected by all the 5 steps, making it a highly impacted industry for IFRS 15. If I specify a few areas which are highly impacted are contract modification, complex contracts which include goods and services such as providing telecommunication services along with a mobile hand set. These are the two most important areas affected by IFRS 15. " (Participant 4)

"Yes, in my opinion, the telecommunication industry is one of the highly impacted industries because of the combination of multiple performance obligations in a single contract. Those contracts were differently recognized as compared to IFRS 15. Moreover, there is a detailed guideline for contract modification and its impact on revenue recognition whereas earlier the companies were applying their professional judgments to modify their revenue when there was a modification in the contract. "
 (Participant 7)

Concluding the responses of all the participants, the telecommunication industry is highly impacted by the implementation of IFRS 15. This was also brought up by Peter (2016) and Deloitte (2018).

Table 18 Analyzing participants response for IFRS 15's impact on Telecommunication Industry

Participants	Impact caused by IFRS 15 on Telecommunication Industry
P1	High Impact
P2	High Impact
P3	High Impact
P4	High Impact
P5	High Impact
P6	High Impact
P7	High Impact

4.2 Conclusion

This chapter has presented and analyzed the data collected through the interviews regarding the impact of, and difficulties associated with, IFRS 15. The data has been employed to test the research hypotheses and it would appear that IFRS 15 removes inconsistencies and weaknesses in previous revenue recognition requirements. It provides a more robust framework guidance that would be useful in addressing revenue recognition issues. The telecommunication industry is almost affected by all the five steps, making it a highly impacted industry for IFRS 15. The telecommunication industry is one of the highly impacted industries because of the combination of multiple performance obligations in a single contract. There is a detailed guideline for contract modification and its impact on revenue recognition.

Hence my findings support hypotheses 1 and 2 introduced in chapter 3.2.2, which shows the impact of IFRS 15-Revenue from contracts with customers on the work of the accountant and the practical difficulties in the actual implementation and monitoring process of IFRS 15- Revenue from contracts with customers during accounting and preparation of the financial statement of the telecommunication industry in Ireland.

5 Concluding Thoughts on the Contribution of this Research, its Limitations and Suggestions for Further Research

In this chapter a summary of the findings was made which included the limitations that existed during the process of the research. Furthermore, researchers made an effort to include suggestions for future research and considered certain recommendations that could be considered by other researchers when IFRS 15, its impact on the work of the accountant, and practical difficulties encountered during implementation and monitoring of IFRS 15.

5.1 Summary of Findings

With regards to the first objective and hypothesis, to evaluate the impact on the work of the accountant which is caused due to the implementation of IFRS 15, the findings from the primary data show that IFRS 15 has impacted all the industries around the world. However, the magnitude of impact varies from industry to industry. IFRS 15 has a more robust framework for revenue recognition. It has a detailed guideline for contract modification and for complex/combination of contracts. This has resulted in a major change in revenue recognition and a high impact on the work of the accountant. Implementation of IFRS 15 in an appropriate manner costs more money for an organization, such as involvement of all the departments for the implementation of IFRS 15, upgradation of the IT system, upgradation of internal control procedures and this was also one of the factors which was impacting the work of the accountant. Another factor which was impacting the work of the accountant was the disclosure requirement as per IFRS 15. As per IFRS 15, there was an extensive and comprehensive disclosure requirement which required qualitative and quantitative information. Earlier, this was not form part of the financial statement, but now it has to be reported and this means it has to be carefully documented and the readers of the financial statement will read those disclosures which will have an impact on the investor's mentality.

Regarding the second objective and hypothesis, to access and evaluate the practical difficulties faced while implementing and monitoring IFRS 15, the finding from the primary data shows that companies are facing practical difficulties in implementing and monitoring IFRS 15. However, the magnitude of practical difficulties varies across the scale of the companies and their attitude towards new change. There are various factors which affect practical difficulties and not all the factors affect all companies. Factors such as cost, difficulties in understanding IFRS 15, application of transition method, usage of professional judgement and presentation of extensive disclosure requirement. The most common challenges faced by all the companies were cost, usage of professional judgement and the presentation of extensive disclosure requirements. Upgradation of the IT system to incorporate all the changes required by IFRS 15 such as qualitative element of disclosure requirement and the documentation of usage of professional judgement are things which all the companies are trying to achieve. However, currently, no one is able to get to that level of atomization with respect to IFRS 15.

The overall findings reaffirmed the secondary literature review carried out in chapter 2 of this study.

5.2 Implication of Findings for the Research Questions

The findings derived from the primary data produced some interesting results which were discussed in the earlier chapters. The findings gave deeper insight about the impact caused by IFRS 15 on the work of the accountant and the practical difficulties faced while implementing and monitoring IFRS 15. This study will benefit both auditors as well as the preparers of the financial statement as well as the investors of the financial statement.

From the perspective of a preparer, this research provides deeper knowledge about IFRS 15, its impact on the work of the accountant, and the practical difficulties encountered, which will enrich their knowledge and preparers will be more cautious about various practical difficulties observed and will ensure that they do not

encounter those challenges, or if they do, they will be well prepared for those challenges.

From an auditor's viewpoint, this research will support them to understand which the areas companies are generally facing and this will give them the alert to pay more attention to those mentioned areas.

From the perspective of an investor, this research will advise them to be cautious in areas where the companies are experiencing practical difficulties.

5.3 Contributions of the Research

The main contribution of this research is to potentially offer guidance to new companies who are going to implement IFRS 15 for the first time and also to those companies who have implemented IFRS 15 in terms of monitoring IFRS 15 on a continuous basis in understanding what is IFRS 15, its impact on the work of the accountant and what are the areas which are difficult to understand and are practically difficult in implementing or monitoring IFRS 15.

According to the findings of this study, disclosure requirements are one of the areas that pose a challenge in monitoring IFRS 15, as there are various types of disclosure requirements specified, including both qualitative and quantitative information. This was also supported by Peters (2016).

According to the study, the impact of IFRS 15 varies by industry. The same thing was also supported by Oyedokun (2016) and Peters (2016).

The study identified that training of employees is necessary for the proper implementation and monitoring of IFRS 15 and this was supported by Forshay (2017).

The researcher concluded that this study, which was conducted during the global COVID-19 pandemic and had a very small sample size, could not be easily generalized and applied over a longer period of time. However, the author is

confident that this study will contribute to the knowledge bank of IFRS 15 and its impact on the work of the accountant and will act as a basis for the future study.

5.4 Limitations of the research

The researcher presents some limitations. First of all, the research was carried out with seven interviewees and generalizability of the findings is difficult as it will represent the perception of only those seven auditors. Furthermore, while some researchers may consider this number of interviewees to be modest, there is no general rule for sample size in qualitative research, and no explicit suggestions from other researchers. (Morse, 2000; Patton, 2002). However, there is a recommended sample size for interviews that spans from six (Guest et al., 2006) to forty (Mason, 2010). While the researcher may have been able to capture a broader range of responses using a different instrument such as a survey, it is unlikely that this would have yielded such a rich dataset as that derived from the interviews as the researcher would not have been able to prompt or probe respondents further on their thoughts and opinions.

Another limitation of the study is that the researcher was unable to conduct interviews with any qualified accountants working in the industry. This would have given more insight about the subject matter.

Moreover, all the interviewees were selected through the use of social media such as LinkedIn. This method will act as a limiting factor as the people who didn't form part of the platform did not have the opportunity to be selected. As the travel restriction was applicable, the researcher was not left with any other option.

Additionally, due to time constraints for the submission of the dissertation, the researcher limited time for primary data collection and secondary data collection.

The last limitation of this study is that researchers have carried out this study during the course of a global pandemic, in which people are already very stressed and depressed. Moreover, all the employees have started working from home, which has

its own benefits and demerits. Hence, research conducted in this difficult scenario may be influenced by those factors and may not hold true in the future.

5.5 Recommendations for Future Research

The study's limitations will serve as the foundation for future research in several areas. It is discussed in the section that follows.

From a practical standpoint, this work will improve or shed some light on a mainly untouched research issue. Because this was one of the first studies of its sort in Ireland and was done three years after the efficacy of IFRS 15 adoption, it provides a broad and thorough foundation for future quantitative or qualitative research.

To begin with, this study solely evaluated auditor perceptions over a three-year period of IFRS 15 efficacy. As a result, this study provides a solid foundation for a replication of similar research to be conducted in a few years to get a deeper understanding of the subject matter of IFRS 15. Furthermore, the target interviewee can be changed to understand the perception of the qualified accountant working in the company. Thus, this study will serve as a foundation for future researchers where the interviewees would be qualified accountants working in the industry rather than the company's auditors.

Because this study focuses on Ireland, it indicates the possibility of future research in any other industry or a nation comparison on the opinions and perceptions of the impact of IFRS 15 on the work of the accountant and practical challenges in implementing and monitoring IFRS 15.

Future studies might benefit from a mixed method research strategy that combines qualitative and quantitative data. This may be used as a qualitative strategy to highlight the perceptions of the participants, which will be followed by a quantitative technique to allow the findings to be generalized. Furthermore, future research might employ case studies to gain a wider understanding of the company's and its industries'

perceptions of the practical problems in adopting and monitoring IFRS 15 and its impact on the work of the accountant.

5.5 Final Conclusion and Reflections

The researcher is confident that the findings of this research will provide financial statement preparers with a new perspective on understanding and analysing IFRS 15 and its impact on the work of the accountant, as well as the practical difficulties encountered in implementing and monitoring IFRS 15. This will help the preparer of the financial statement in resolving their practical issues faced and also motivate them to prepare a checklist for IFRS 15 and its critical requirements. Furthermore, understanding the critical areas of IFRS 15 helps the auditor be more cautious in those areas.

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Appendix – A – Interview Questions

❖ Section -1 Background Information of the Interviewee

Q – 1 Please describe your work experience in your company

- 0-2 years
- 2-5 years
- 5-10 years
- 10+ years

Purpose of asking this question: - By this question researcher can understand the knowledge of the interviewee and whether he would be familiar with the topic matter.

Q – 2 Please describe your current role in your company

Purpose of asking this question: - By this question researcher can understand the knowledge of the interviewee and whether he would be familiar with the topic matter.

Q – 3 Please explain your exposure to IFRS 15 and your experience with handling IFRS 15.

Purpose of asking this question: - By this question researcher would be able to identify the understanding of the interviewee with IFRS 15 and how useful would this interview would be

❖ Section -2 Understanding Revenue recognition standards prior to IFRS 15.

Q – 4 How Familiar you were with previous revenue recognition requirement, IAS 11 and IAS 18. Please rate this answer on the scale of 1 to 4.

- Scale 1 - Rudimentary Knowledge
- Scale 2 –Good Theoretical Knowledge
- Scale 3 – Good theoretical knowledge with little practical knowledge
- Scale 4 – Very good theoretical and practical knowledge

Purpose of asking this question: - This question would help us to understand the interview knowledge for revenue recognition standards which prevailed prior to IFRS 15.

Q – 5 Were IAS 11 and 18 provided a good level of clarity while applying for complex transaction. Please describe.

Purpose of asking this question: - As per (McCarthy, 2012), it demonstrated that the level of clarity IAS 11 and 18 had might not be sufficient for complex transaction. This question would help us to link the same difficulties faced with IFRS 15

❖ **Section -3 Understanding Revenue recognition standards- IFRS 15.**

Q – 6 Describe a best experience you had with IFRS 15 standard from your practical experience

Purpose of asking this question: - This question will help us to develop a best practice model for IFRS 15 and its implementation challenges.

Q – 7 Describe a worst experience you had with IFRS 15 standard from your practical experience

Purpose of asking this question: - This question will help us to develop a best practice model for IFRS 15 and its implementation challenges.

Q – 8 Describe your experience of the IFRS 15 implementation process needs that are required to be set up from an organizational and procedural perspective.

Purpose of asking this question: - As per (Peter,2016) it was concluded that IFRS 15 requires a continues monitoring after implementation and this helps us to understand the required structure maintained within the organization.

Q – 9 How and to what extent, the IT system was incorporated to consider the new IFRS 15 and its Five Step model.

Purpose of asking this question: - As per (Benavides, 2015; Tysiac, 2017), it showed that IT system, Internal control and processes needs to be adjusted with IFRS 15- Five step model.

Q – 10 How has the internal control procedure changed due to implementation of IFRS 15 and its Five step model.

Q – 11 How and to what extent areas other than accounting specifically affected by IFRS 15

Purpose of asking this question: - As per (Dalkilic, 2015; Peters, 2016), it showed that the effect of IFRS 15 is far beyond just accounting.

Q – 12 were there any specific areas where difficulties or a lack of understanding occurs due to the changes through IFRS 15?

Purpose of asking this question: - IFRS 15 was difficult to understand and implement. Hence this question will give various areas in which users and auditors found it difficult to implement.

Q – 13 How and to what extent are the employees trained for IFRS 15 implementation and its continuous monitoring.

Purpose of asking this question: - As per (Adetoso, 2014), it concluded that training and education to employee and stakeholders for IFRS 15 is the most challenging thing.

Q – 14 Were there any areas wherein the consultants are hired for the implementation process of IFRS 15. If yes then please describe your experience.

Purpose of asking this question: - This question would highlight the challenges which is faced by the company and its employees to implement IFRS 15 and how they tackle it with the help of consultants

Q – 15 How well was auditors and consultants were trained for IFRS15 and which the area which required them to have training and up gradation of knowledge.

Purpose of asking this question: - This question will explain the areas which were very technical and were even a challenge for auditors and consultants.

Q – 16 What are the best practices used by the company to prepare IFRS 15 disclosure

Purpose of asking this question: - As per Ernst & Young (2017a), disclosures are seen as a major challenge in the course of IFRS 15.

Q – 17 On the scale of 1 to 5, How do companies manage to ensure the completeness of disclosures under IFRS 15 within their IT system.

- Scale 1 – Very Low
- Scale 2 – Low
- Scale 3 – Good
- Scale 4 – Very Good
- Scale 5 – Excellent

Purpose of asking this question: - As per Ernst & Young (2017a), disclosures are seen as a major challenge in the course of IFRS 15.

Q – 18 Any other points would you like to add with respect to your experience with Implementation of IFRS 15.

Purpose of asking this question: - By this researcher can get any additional information which is more relevant for the implementation process and critically evaluate the problems and difficulties in implementing IFRS 15.

Q – 19 How are professional judgement and interpretations under IFRS 15 transparently illustrated and documented

Purpose of asking this question: - There are areas which require professional judgement and interpretations in IFRS 15. This question will help us to understand how the same is documented and presented.

Q – 20 How well is the professional judgement and interpretations under IFRS 15 is conducted or documented in the IT systems.

Purpose of asking this question: - There are areas which require professional judgement and interpretations in IFRS 15. This question will help us to understand how the same is documented and presented.

❖ **Section -4 Overall understanding of IFRS and specifically for Telecommunication industries.**

Q – 21 The IASB states in IFRS 15.BC3 that IFRS 15 removes inconsistencies and weaknesses in previous revenue recognition requirements and provides a more robust framework guidance that would be useful in addressing revenue recognition issues. Please comment on this statement.

Purpose of asking this question: -This question will provide us with better insight and understanding of the subject matter from the auditor's perspective.

Q – 22 To what extent is it correct to say that telecommunication industry has been highly impacted with the introduction of IFRS 15.

Purpose of asking this question: - As per Kasztelnik, 2015, the above telecommunication industry is highly impacted.

Appendix – B – Email to Participants

Dear Participant,

I am a postgraduate student at Griffith College in Dublin and this research is a part of my master's program. As a principal researcher I would humbly congratulate you that you have been selected as the participant for this study.

The research focuses on the Impact of IFRS 15 on the work of the accountant and its implementation and monitoring challenges. It is enclosure in this email the follow forms:

A. Plain Language Statement which informs you what is expected from you as a participant and the benefits of this research. Your participation is voluntary and entirely confidential. It provides a contact of the Ethical Committee officer for reporting any unethical conduct during the research undertaken.

B. Informed Consent Form - This is a form through which you agree to participate in this study. If your answer is No to any of the questions in this form, please notify me by replying to this mail. If all answers to the questions are Yes, request you to reply to this email that you provide your consent to be a part of this study.

The research purpose is to evaluate the impact on the work of the accountant due to IFRS 15 and the implementation and monitoring challenges faced in respect of IFRS 15 and the interview should take approximately forty-five minutes to complete. No personal data will be collected.

The findings of the research will be included in my final dissertation. The results of this research will be provided to you on request.

If you have any queries regarding this, please contact me on
Mobile: 0899420426
Email: cashirishmerchant@gmail.com

Request your support to comply with the instructions in this email.

Best Regards,
Shirish Jayant Merchant

Appendix – C – Plain Language Statement

Plain Language Statement for Research Participants

Introduction and Purpose of the Research Study

The research working title is “*Impact of IFRS 15 on the work of the accountant and Practical Difficulties faced during implementation and monitoring of IFRS 15*”.

This research is designed to examine how the IFRS 15 affected the financial statement and also understanding the practical difficulties in implementing and monitoring IFRS 15

The research is being conducted by Shirish Jayant Merchant, a MSc Accounting and Finance Management student in the Graduate Business School, Griffith College, Dublin.

Shirish Jayant Merchant e-mail: cashirishmerchant@gmail.com

Details of what involvement in the Research Study will require

This project involves taking part in qualitative semi-structured interviews. The interview responses will be recorded, and seek to gather information on your experience of IFRS 15, its impact on the work of the accountant and practical challenges faced while implementing and monitoring IFRS 15. Questions are directed towards your thoughts on their perceptions about Impact of IFRS 15 on the work of the accountant and its implementing and monitoring challenges. I estimate the interviews will take no longer than 45 minutes to complete.

Potential risks to participants from involvement in the Research Study

I do not anticipate any risk to participants as a result of participation in this Research Study.

Benefits (direct or indirect) to participants from involvement in the Research Study

The objective of this research is to gain knowledge that will enable improve the understanding relate to transparency in information in the third sector. This study may, therefore, be of benefit to you by providing you with the opportunity to contribute to body of knowledge on transparency in information in the third sector in Ireland so that you and or society may benefit.

Advice as to arrangements to be made to protect the confidentiality of data, including that confidentiality of information provided is subject to legal limitations

Every effort is made to ensure the confidentiality of the participant. Participant names will not be recorded, as all participants will be assigned a code. Where used, recorded interviews/survey data will be downloaded to a password-controlled computer, typed transcripts/survey results are held within password-controlled documents. Participant biographical details and or mention of other persons will be omitted in the final report. Confidentiality of information provided is subject to legal limitations.

Advice as to whether or not data is to be destroyed after a minimum period

Audio tapes/Survey data will be destroyed on the successful completion of this master's degree in full compliance with GDPR regulations.

Statement that involvement in the Research Study is voluntary

Involvement in this Research Study is voluntary. Participants who decide to take part may withdraw from the Research Study at any point. There will be no penalty for withdrawing before all stages of the Research Study are complete.

If participants have concerns about this study and wish to contact an independent person, please contact:

Dr. Garrett Ryan

MSCIB Programme director

Graduate Business School

Office: A109

Griffith College

South Circular Road, Dublin 8, Ireland Phone: + 353 1 416 3324

Email: garrett.ryan@griffith.ie

Website: www.griffith.ie

Appendix – D – Informed Consent Form

Research Participant Informed Consent Form

Research Study

The research working title is “*Impact of IFRS 15 on the work of the accountant and Practical Difficulties faced during implementation and monitoring of IFRS 15*”.

The research is being conducted by Shirish Jayant Merchant, a MSc Accounting and Finance Management student in the Graduate Business School, Griffith College, Dublin.

Purpose of the Research

The objective of this research is analyzing the Impact of IFRS 15 on the work of the accountant and its implementation and monitoring challenges. There has been limited research done to explore the how the impact has been caused in telecommunication industries. This study aims to generate new insights into the telecommunication industries which related to Impact of IFRS 15 on the work of the accountant and practical implementation challenges.

Confirmation of requirements as highlighted in the Plain Language Statement

As stated in the Plain Language Statement, a follow up semi-structured interview will be conducted via audio/video zoom, which the researcher will request to record.

Participant – Please complete the following (Circle Yes or No for each question)

I have read the Plain Language Statement (or had it read to me)	Yes/No
I understand the information provided	Yes/No
I have had an opportunity to ask questions and discuss this study	Yes/No
I have received satisfactory answers to all my questions	Yes/No
I am aware that my interview will be recorded	Yes/No
I am aware that a transcription of my interview will be made	Yes/No
I may aware that I can withdraw from the Research Study at any point	Yes/No
I am aware that my real name will not be disclosure in the study	Yes/No

Participant has the right to withdraw from the research study at any point. There will be no penalty for withdrawing before all stages of the research study have been completed.

Procedures to Protect Confidentiality of data

Every effort will be made to respect the participants anonymity. The data collected will be analyzed by the principal researcher alone. Participants’ actual names will be protected, and pseudo names will be used if direct references are required. Interview notes and/or transcripts and subsequent analysis of the data will be held by the principal researcher and stored in secure location (personal laptop of principal researcher).

Signature

I have read and understood the information in this form. My questions and concerns have been answered by the researcher, and I have a copy of this consent form. Therefore, I consent to take part in this research project

Participants Signature: _____

Name in Block Capitals: _____

Witness: _____

Date: _____

Appendix – E – Interview Report

Interviewer: - Researcher

Interviewee: - Details of the participants are shown in chapter 4

Interview Scheduling and its details

Participant 1: Interview conducted at 14:45 on the 12th of May 2021 via zoom call

Participant 2: Interview conducted at 16:00 on the 12th of May 2021 via zoom call

Participant 3: Interview conducted at 17:25 on the 12th of May 2021 via zoom call

Participant 4: Interview conducted at 13:30 on the 16th of May 2021 via zoom call

Participant 5: Interview conducted at 14:30 on the 16th of May 2021 via zoom call

Participant 6: Interview conducted at 15:25 on the 16th of May 2021 via zoom call

Participant 7: Interview conducted at 09:00 on the 17th of May 2021 via zoom call

Total File Duration: 3 hours 45 minutes.

The transcript of the interviews can be presented upon request.