Addis Ababa University
College of Business & Economics
MBA – Finance Extension Program

IFRS Adoption and Implementation Result Effectiveness:
The case of ethio-telecom

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This is to certify that the thesis prepared by Yonas Ayele, entitled: IFRS Adoption and Implementation Result Effectiveness: the case of ethio-telecom is submitted in Partial fulfillment for the Degree of Masters of Business Administration (Finance Stream) complies with the regulations of the University and meets the expected standard with respect to originality and quality.

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ACRONYMS

AABE:	Accounting and Audit Board of Ethiopia
AISG:	Accountants International Study Group
EC:	European Commission
ECX:	Ethiopian Commodity Exchange
ERCA:	Ethiopian Revenues and Customs Authority
EU:	European Union
FASB:	Financial Accounting Principle Board
GAAP:	Generally accepted Accounting Principle
IAS:	International Accounting Standards
IASB:	International Accounting Standards Board
IASC:	International Accounting Standard Committee
IPSAS:	International Public Sector Accounting Standards
IFRS:	International Financial Reporting Standard
KPMG:	Klynveld Peat Marwick Goerdeler
MoFED:	Ministry of Finance and Economic Development
SPSS:	Statistical Package for Social Science
UK:	United Kingdom
US:	United States

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ABSTRACT

International Financial Reporting Standards have increasingly been essential because one hundred thirty-eight countries implemented throughout the Globe. The rapid growth of the Ethiopian financial market and economic development has led to the need for improving the current accounting system to complement the globalization trend of the world economy. This thesis aims to identify IFRS adoption and implementation result effectiveness by ethio-telecom. So, the study raised four research questions those are, what are the main challenges of IFRS at the time of adoption and implementation in ethio-telecom, what are the main benefits of IFRS at the time of adoption and implementation in ethio-telecom, how the stakeholders involved in the adoption and implementation of the International Financial Reporting Standard and are the financial statements are qualified after adoption and implementation of International Financial Reporting Standard. To answer this research questions, the research study used purposive sampling by selecting a focus group of IFRS adoption and implementation project team and Finance division staff using a questionnaire because these teams have the knowledge and expertise of applying the standard. In the findings IFRS was not implemented fully in ethio-telecom due to the existing challenges and inadequate stakeholders' involvement in the process. Major challenges to ethio-telecom are, lack of availability of competent professions and professional institutions, estimation problem to use of fair value, need high cost, and insufficiency professional evaluators. The benefits of adopting IFRS are to ethio-telecom that avail quality information for decision making for better planning purposes, it improves the transparency level, and increases the level of quality in terms of financial reporting. Furthermore, the findings also suggest that by the involvement of stakeholders it support ethio-telecom availability of real-time financial statements, regulatory oversight and enforcement, better access to capital, understand of risk and return, enhance competitiveness, and facilitates mergers and acquisitions.

Key words: International Financial Reporting Standard, ethio-telecom, Stakeholders, Adoption, Benefits, and Challenges.

CHAPTER ONE

1. Introduction

This chapter of the study explained the background of the study, statement of the problem, objective of the study, the significance of the study, the scope of the study, and organization of the paper.

1.1 Background of the study

Firstly, accounting standards convergence was the proposal to generate the Accountants International Study Group by the professional accountancy bodies in the United Kingdom, Canada, and the United States in 1966. This was formed to advance comparative studies of accounting practices in three nations. The AISG was eventually formed in 1967 and it published twenty studies till it was disbanded in 1977. Sir Henry Benson put onward the proposal for the setting up of the International Accounting Standard Committee (IASC) at the 40th World Congress of Accountants in Sydney in 1972. After discussions and sign of approval by the UK, Canada, and then the US, AISG countries, and representatives of the professional accountancy bodies in France, Australia, Germany, Mexico, Japan, and therefore, the Netherlands, the IASC was established in 1973. Sir Henry Benson was the primary elected Chairman of IASC while Paul Rosen was the primary secretary of the IASC. By the start of the 21st century is just one of the nine original IASC countries i.e Germany did even a comparatively small number of listed companies used IASs to report back to domestic Investors.

The primary goal of IASC formation was to develop a single set of superior quality International Accounting Standards (IASs) to replace national standards. Between 1973 and 2001, the IASC issued forty-one standards before it was replaced by the International Accounting Standards Board (IASB). All listed companies in Germany, the Netherlands, France, and the UK, and other twenty-one countries were mandated by the European Commission(EC) to adopt IASs or the International Financial Reporting Standards from 2005. The government of Australia and standard-setter had put up an adoption policy of IAS by 2005. The US roadmap for adoption is 2014-2016. Japan and Canada are also considering convergence with IFRS.

A Memorandum of Understanding was agreed between the US Financial Accounting Principle Board (FASB) and therefore the International Accounting Standard Board (IASB), towards the convergence of US GAAP and the IFRS in 2002. Within the Norwalk Agreement, both the IASB and FASB promised their joint commitment towards the event of high-quality, compatible accounting standards for both domestic and cross-border financial reporting. it's argued that changes made within the US GAAP are often expected to influence the international environment Tarca, (2004). Gannon & Ashwal, (2004) debate that the convergence efforts of the FASB and therefore the IASB have already got changed U.S. GAAP, and more effects are expected because the efforts to narrow the differences between the IFRS and US GAAP continue.

Ajibade (2011) in his research on the he Relevance of International Financial Reporting Standards in the Preparation and Presentation of Financial Statements in Nigeria disclosed that in 1973 the International Accounting Standard Committee of the professional accounting bodies countries comprising UK, Ireland, Canada, France, Germany, United States (US), Australia, Japan, Mexico, Netherlands agreed to develop an identical set of accounting principles that will be applicable globally, and replace the International Accounting Standards (IAS) which allowed for different treatments of transactions and events are making a comparative analysis difficult.

According to IFRS Foundation (2013, p5) in its adoption guide, adopting IFRS is like starting a family as it needs careful planning, commitment, and complete understanding of its implications. There are three steps that new adopters of IFRS before adopting it. According to this guide, the first step is making policy decisions by building consensus among concerned stakeholders. The second step is preparing a plan by building targets, and deadlines and making them public and helps to identify difficulties that must be overcome. The third step is identifying the resources that we have on-hand and what we need to implement the new standard (such as availability of local professionals at the national level and company must finance for capacity building, and source of finance, materials, and technical supports).

From the analysis of the annual reports of companies in Ethiopia that voluntarily adopted IFRS as there was no law that enforced them to use IFRS which were adopted at a national level in 2014, only fifteen. Even though IFRS is not officially adopted at the national level, auditors indirectly enforce the management of the organizations who have little or no accounting experience about accounting standards. AABE was organized which accountable to the MoFED with Art.3/2/ of Regulation 332/2014. According to the Article five, the board shall have the following objectives: -1- Promoting high-quality reporting of financial and related information by reporting entities 2- Promoting the highest professional standards among accountants and auditors 3- Promoting the quality of accounting and auditing services 4- Protect the professional independence of accountants and auditors, and 5- Ensuring that the accounting profession is used in the public interest.

According to Article 4(2) of the proclamation No.847/2014, the Accounting and Auditing Board of Ethiopia shall have the following powers and duties to:- (1) Issue standards and directives relating to financial reporting and auditing and ensure compliance therewith (2) Conduct inquiry or investigation and impose an administrative sanction in accordance the provisions of the proclamation where appropriate on public interest entities and public auditors to enforce compliance with financial reporting and auditing standards, and (3) Cooperate with or become a member or an affiliate of any international body, the objectives or functions of which are similar to or concerned with those of Board.

After the establishment of the board, the country moved to the adoption of IFRS in three phases that are significant Public Entities, Financial Institutions, and Public enterprises owned by Federal or Regional Governments like ethio-telecom phase one. Other Public Interest Entities (Ethiopian Commodity Exchange member companies and reporting entities that meet PIE quantitative thresholds) and IPSAs for charities and societies- required to issue IFRS and IPSAS based financial statements respectively for the year ending July 7, 2018 phase two and Small and Medium-sized Entities- Statutorily required to issue IFRS based financial statements for the year ending July 7, 2019 phase three.

Therefore, the motive of this paper is to investigate the adoption and implementation result effectiveness of IFRS in ethio-telecom.

1.2. Statement of the problem

In Ethiopia, few studies have been made on related topics. For instance, (Fareed & Zinabu, 2015) conducted a study on the assessment of the implementation of IFRS in the Ethiopian Banking sector; and IFRS adoption progress in Ethiopia (Alemi & Pasricha, 2016), IFRS Adoption in Ethiopia, issues processes (Yitayew, 2016), benefits and a key challenge in Ethiopia (Tesfu, 2012), and this research work is similar in assessing challenge and benefits of IFRS, but they didn't indicate about adoption and implementation effectiveness of IFRS on the quality of financial reporting.

(Alemi, 2016, & Teshome, 2017) conducts research on IFRS Adoption Progress in Ethiopia and Challenges and Prospects of International Financial Reporting Standards (IFRS) implementation in Ethiopia both researchers conclude that the shortage of qualified professionals and lack of preparedness are the major challenges of IFRS adoption on its investigation shows that lack of readiness to implement within the time frame set by the board, need of training, lack of adequate implementation guidance and lack of enforcement capacity are some key challenges facing the transition to IFRS and they didn't indicate about adoption and implementation effectiveness of IFRS on the quality of financial reporting.

(Fikru F. 2012, & Worku S. 2018) investigates the Adoption of International Financial Reporting Standards (IFRS) in Ethiopia and both studies focused on the benefits, challenges, and Factors that could explain the adoption of these standards in Ethiopia. Owen benefits and challenges for all users and prepares of financial statement, so its implications for preparers, users, educators, and other stakeholder has to be effectively coordinated and communicated and the broader scope of accounting and they endorse appropriate future research to be conducted on the issue of disclosure and compliance with recommends the transition to IFRS. (Alexander H. 2019) conducted on the general challenges and opportunities of adopting IFRS in Ethiopian private commercial Banks recommend that future researches focus on the impact of the newly introduced IFRS 9 which was changed from IAS 39 which focuses on the financial instrument where all banks are major will be impacted by the adoption of this standard. Moreover, another area where future researchers can focus is on the financial impact of the adoption of IFRS compared to the GAAP financial statement.

But, under the researcher knowledge, not big enough researches were conducted about the adoption and implementation result effectiveness of IFRS in Ethiopia, especially on ethio-telecom. So, ethio-telecom, the company understudy, has been serving the public for a long period. However, it was very challenging to continue with the existing GAAP as a result of the government policy changes. The adoption and implementation effectiveness of international standards in ethio-telecom take place in an environment that is affected by factors unique to that company; for example, the financial capacity, human power, Information technology infrastructure, country tax laws and regulations, and company cultures. Due to this the adoption and implementation effectiveness of IFRS may face several challenges. The process of adoption and implementation presented many challenges, especially for most Ethiopian companies.

A reason that seems to cut across countries for not fully incorporating IFRS is the irresistible urge to amend the international standards to roam for national specificities and various challenges be it financial and else that the convergence will bring. Thus, the objective of this paper is to look at the effectiveness of adoption and implementation of International Financial Reporting Standards in ethio-telecom. And the relevance of knowing IFRS adoption Standards' effectiveness is addressed by providing a high-quality, internationally recognized set of accounting standards that bring transparency, accountability, and efficiency to financial markets around the world.

IFRS standard-based Financial statements bring transparency by improving the international comparability and quality of financial information to the company, enabling investors and other market contributors to make timely and adequate economic decisions. IFRS Standards contribute to economic efficiency by helping investors to identify opportunities and traits across the world and improving capital allocation and for the user (ethio-telecom) lowers its financial statements preparation cost that compared to GAAP.

IFRS makes stronger accountability by reducing the information gap between the earners of capital and the people to whom they have delivered their money and IFRS delivers information that is needed to ethio-telecom management to account as a source of globally comparable information is also importance to regulators around the world.

Thus, the objective of this paper is to measure the effectiveness of adoption and implementation result of International Financial Reporting Standards in ethio-telecom based on accountability, transparency, and efficiency.

1.3. Research Questions

The research aims are to examine the adoption and implementation effectiveness of IFRS challenges faced by ethio-telecom. And in doing so, the study specifically addressed the following basic research questions: -

- ✓ What are the main challenges of IFRS at the time of adoption and implementation in ethio-telecom?
- ✓ What are the main benefits of IFRS at the time of adoption and implementation in ethio-telecom?
- ✓ How the stakeholders involved in the adoption and implementation of the International Financial Reporting Standard (IFRS) in ethio-telecom?
- ✓ Are the financial statements are qualified by after adoption and implementation of International Financial Reporting Standard (IFRS) in ethio-telecom by Ethiopian Audit Corporation?

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of the study is to assess the adoption and implementation of International Financial Reporting Standard (IFRS) effectiveness in ethio-telecom.

1.4.2 Specific Objectives

1. Identify main challenges at the time of adoption of IFRS in ethio-telecom (about user awareness and adequate knowledge, local accounting laws, complexity of conversion, and timely interpretation of standards of IFRS)
2. Identify main benefits of IFRS at the time of adoption and implementation in ethio-telecom.
3. To assess the major stakeholders' involvements in the adoption and implementation of International Financial Reporting Standard (IFRS) in ethio-telecom.

1.5 Significance of Study

- The study would have many advantages for all academicians and practitioners by providing useful information about the adoption and implementation of International Financial Reporting

Standards and related issues of quality of financial reporting.

- It would also be useful for ethio-telecom top managements by providing enough information about the benefits and challenges of adopting and implementing of IFRS and report under IFRS provide a better quality financial statement with full disclosure this study provides evidence for the government and external auditors increase confidence for them.
- It would assist top management, external auditors, ERCA, AABE, MoFED, and other key players need to work together and tighten compliance so that impact of IFRS could be felt more.

1.6 Scope and Limitation of the Study

The study has been delimited to the assessment of IFRS deployment in ethio telecom, its adoption, and implementation result effectiveness. When an entity has departed from a requirement of a GAAP in a stated period, and that departure affects the amounts recognized in the financial statements for IFRS. The research documents were acquired from ethio-telecom Finance Division IFRS project team and selected finance staff because those respondents involve at the time of conversion and preparation of financial statements. By this, the researcher tries to investigate the adoption and implementation of IFRS result effectiveness on financial statements compare to GAAP and the delimitations of this research. Since this IFRS is being deployed from 2016 up to 2018, the feedback received from the respondents are based on their three years' experience only.

This study focused on result effectiveness of the adoption and implementation of IFRS. In light of the limited research that exists on International Financial Reporting Standards and its adoption and implementation within the Ethiopian context, the study is constructed on the current body of knowledge and studies conducted in other countries context. By this, the researcher tried to contextualize the Company IFRS adoption and implementation effectiveness result based on reviewed literature from Ethiopia and other countries' experience

1.7 Organization of the Paper

To answer the research questions and achieve the above-stated objectives, this study has organized into five chapters. Chapter one includes an introduction which consists of the background of the study, statement of the problem, research questions, objectives of the study, significance of the study, the scope of the study, and organization of the study. The second chapter focused on the literature review. The third chapter is research design and methodology. The fourth chapter has presented the results and discussions of the research study, based on data collected by the researcher from primary and secondary sources of data. Chapter four covered the results and discussion. The last chapter has summarized the findings of the research work, concluded the results, and forwarded recommendations based on the findings of the study.

CHAPTER TWO

2. Literature Review

2.1 Introduction

This section presents the review of related literature about the adoption and implementation effectiveness of IFRS. It covers a general overview of IFRS adoption & implementation, the effect of IFRS adoption, Financial reporting changes around mandatory IFRS adoption and implementation companies, the benefits and challenges to be obtained through IFRS adoption and implementation, involvements of shareholders under adoption and implementation of IFRS. In short, this literature review combined the existing empirical research in the area of international financial accounting standards adoption and implementation and the topic ends by summarizing the literature review and identifying the gap in the present literature.

2.2 IFRS Adoption

The International Accounting Standards Board is a private organization of international scope established in 1973 in UK London. It has issued a set of standards to be used when preparing financial statements, namely forty-one International Accounting Standards and thirteen International Financial Reporting Standards. International Accounting Standards are standards issued by the IASB by 2001 and IFRS are standards issued in 2002. However, currently the expression IFRS is commonly used alone to in waiting this set of rules (IAS and IFRS).

The number of countries to agreement require IFRS adoption when preparing financial statements have grown over the past years. In 2005 have become a particularly important breakthrough concerning mandatory IFRS adoption, since this was the year that it took place in the Australia and EU.

The EU Regulation 1606/2002 established that all listed companies on the SE in any European Union country start to prepare from the accounting period beginning on or after January 1, 2005, their consolidated financial statements under IFRS, approved by the EU Commission. Since 2005 in Australia there came into power, the standards considered as completely equivalent to IFRS (Nobes and Zeff, 2010). Contrary to what has occurred in the EU, where IASB standards were accepted just as issued even though with some deletions by this organization, in Australia occurred, namely, change in the IFRS names, some omission of options and some literal changes, and this has led to documents clearly unlike from the original as issued by the IASB. IFRS adoption in the EU is taken as a particularly significant occurrence. One of its effects will be the considerable increase in the trustworthiness of the International Accounting Standard board project worldwide.

2.3 Effect of IFRS adoption

IFRS adoption and implementation at the global level has been, in recent years, one of the issues more frequently analyzed and discussed in the accounting field, producing interest among scholars, professionals, investors, and other users of financial information. Many studies have studied the significance and values of IFRS adoption. After numerous years of empirical analysis, some literature evaluations on the subject was published by journals in the accounting field. Although some important articles provide literature analyzes offer a systematic review. And the study will be presented below: -

Pope and McLeay (2011) have studied on mandatory IFRS adoption in the EU on those accompanied within the project the European IFRS on Compliance, Consequences, and Policy lessons they emphasize that the effects of mandatory IFRS adoption are not similar in the EU because of differences in first adopter incentives and local enforcement mechanisms.

Sun and Sodestrom and (2007) analysis of studies addressing the impact of voluntary IFRS adoption in the EU. They emphasize the strong influence of the recognized framework in the accounting information quality and notify about the results about voluntary IFRS adoption for its mandatory adoption, it is impossible to decide.

Brüggemann et al. (2013) examine studies on IFRS adoption in the EU consider three categories of the consequences: - in financial reporting in the capital market with a macroeconomic nature. They introduce the distinction between intended and unintended economic consequences whether they are related to the regulator's stated objectives. They stress that IFRS had a limited outcome on financial reporting, due to a perseverance of national/local accounting standards of choice, significant non-compliance, and absence of improvement on transparency of outcomes and comparability measurements. Additionally, they identified strong evidence that mandatory IFRS adoption brought macroeconomic benefits and on the capital market.

Palea (2013) has also examined the effects of IFRS adoption in the EU concerning a financial reporting quality, focusing on the study of the relevant value. The author decided that practical evidence points out a positive effect of mandatory IFRS adoption in the EU and that these effects differ depending on the institutional contexts of Firms adopting these standards also the determination of national differences after IFRS adoption is also studied.

Calixto (2010) has analyzed the studies on IFRS adoption in the EU, but his study was not limited to economic significances also analyzed on opinions about IFRS implementation. He was decided, among other things, that the studies on the impacts of IFRS adoption still have limited results because a legal requirement of IFRS is very recent in adoption and implementation.

Ahmed, K. et al. (2013) has a study going beyond IFRS adoption in the EU has conducted an analysis of studies in the effect of IFRS adoption on an information quality, measured as a value relevance, optional accruals, and on a forecast quality. The existence of significantly increased a value in the results, when assessed by pricing models and improved a prediction of outcomes by financial analysts. The study has a deference when compared to the papers stated. It addresses studies on the consequences of IFRS adoption not only in the EU but also Asia, Australia and New Zealand enabling a different analysis considering the countries that adopted IFRS.

2.4 Financial reporting changes around mandatory IFRS adoption and implementation companies

A mandatory adoption should be different from those documented for voluntary IFRS adopters (Hail et al 2010) since the mandatory adaptor is essentially forced to adopt IAS/ IFRS compared to choose to adopt. Numerous recent studies document favorable economic consequences associated with mandatory IFRS adoption (Byard et al, 2011). These studies argue that these benefits of IFRS adoption could result from the improved financial reporting quality. Kang (2013) examines the impact of a mandatory adoption of IAS/IFRS on the reporting a quality in thirteen EU countries by associating the earning management capacity in the pre and post IFRS a mandatory adoption in 2005 and their conclusion is consistent with the previous literature that decided that the mandatory IAS/ IFRS improves its financial reporting quality.

Armstrong et al (2010) found evidence consistent with investors expecting increased financial reporting quality from mandatory IFRS adoption. Chua et al (2012) establish fewer earnings management and improved financial reporting quality in Australia ensuing the mandatory adoption of IAS/IFRS. And Chen et al (2010) show that after mandatory IFRS adoption, the quality of the financial reporting increased significantly more for mandatory adopters relative to voluntary adopters and non-adopters. While Armstrong et al. (2010) state that even though the quality of financial reporting does not improve but the financial information become more useful with the mandatory adoption as it enhances comparability of financial information from different markets or countries of a firms.

Daske et al (2009) Some firms make very few changes and adopt IAS/IFRS more in name than as a strategy to enhance the commitment to increases the financial reporting quality and careful to attribute the capital markets effects for mandatory adopters even primarily to the IFRS mandate. Christensen (2013) found the improvements in earnings capacity and timely loss recognition behavior among IFRS adopting firms is narrowed with incentives to adopt suggesting that incentives dominate IFRS in determining financial reporting quality. He analyzed whether the adoption of IAS/IFRS leads to increase financial reporting quality and the same with previous studies they found that voluntary adoption was associated with reduced earnings smoothing and more timely loss recognition. In contrast, they found no proof of such financial reporting quality improvements in the IFRS mandatory adopters.

Ewart and Wagenhofer (2015) also suggest that the mandatory adoption of IFRS does not an increase in financial reporting quality because of that making accounting earnings more useful about the events on average reduces the smoothness of earnings across periods. And managers are interested in smooth earnings management to alleviate this effect, though it is too costly to remove it.

The fact there are comparable differences in an organizational structure and unique service sectors and the companies already studied and prior studies had generated conflicting and interesting ongoing results. The contrasting results are due to the differences in the legal and regulatory framework between companies. Since both the regulatory framework and IFRS impact the quality of financial reporting. The financial reporting changes around mandatory IFRS adoption and implementation companies these studies tie them is together to determine how they all impact the quality of financial reporting.

2.5 Benefits and challenges IFRS adoption and implementation to Companies

The benefits of IFRS adoption and implementation are ease of comparison among companies, timely produced financial reports, a good understanding of risk and return, quality information for control and decision-making purposes, improved confidence in the information presented, better planning, enhancing standards of financial disclosure, improved regulatory oversight and enforcement and also have a challenge of IFRS adoption and implementation like the complexity of conversion, ethical environment, compliance and enforcement, training and funding costs and other.

2.5.1 Benefits of adoption IFRS to Companies

Most researchers concluded that a company's adoption of IFRS creates strong economic benefits in countries with rigid regulation over financial reporting. These benefits include an increase in the stock's market value, an increase in market liquidity, and a lower cost of capital. Let as look some of them.

Ramanna & Sletten (2014). The adoption of IFRS is expected to benefit all stakeholders within the institutional network of the International Accounting Standards Board and these stakeholders include users of accounting and financial information such as policymakers, regulators, national agencies, business organizations, investors, customers, and others. As countries adopt IFRS, it becomes necessary to take stock of the perceived benefits and challenges that come with the adoption of IFRS to effectively manage the national accounting system of a nation. This will help to determine the worth of institutional compliance or conformity to institutional rules of acceptable behavior to practice as the adoption of the IFRS. They conclude to nations, the legitimate benefits of IFRS adoption include the credibility to compete for foreign direct investment in world capital markets, easily mobility of capital at a lower cost, improved quality of financial reporting, more efficient allocation of resources, and avoidance to develop national accounting standards.

Sunder (2010) intends six perceived valid benefits for IFRS adoption: - contribution to prosperity and wealth of society - The inclusion of relevant information from all parts of the economy - Stability over time - Adaptability to changes in the economic environment- Robustness against manipulations, and resistance to capture by narrow interest groups. Daske, Hail, Leuz & Verdi, (2008) and Odia & Ogiedu, (2013) -the adoption of IFRS will result in greater transparency and understandability, Leuz &Verrecchiia, (2008) & Piotroski, (2006)- adoption of IFRS enhance efficient capital allocation and reduced the cost of capital to organizations and reduced national standard-setting costs, Ahmed & Duellman, (2011) – IFRS adoption wider market development, Mihai, Ionaşcu, & Ionaşcu, (2012)- improved and higher market liquidity and value), DeFond, Hu, Hung, & Li, 2011; Săcărin, Bunea & Gîrbină, (2013) - Adoption of IFRS boosted comparability, Daske et al., (2008) enhanced transparency of results and Bhattacharjee & Hossain 2010; Mihai et al., (2012) stated adoption of IFRS facilitated cross border movement of capital.

Barth, Landsman & Lang, 2008; Florou & Pope, (2012) To investors, the adoption of IFRS would result in higher quality information for investors for investment decisions Ahmed & Duellman, 2011; Ball, 2006; Barth et al., (2008). Increased more confidence in the information presented, a better understanding of risk and return, companies can be compared to a peer group of companies, more timely financial reports, easier access to financial reporting, among others.

And Owolabi & Iyoha, (2012) suggested that adoption of IFRS for policymakers could result in a strengthened and more effective capital market, better access to the global capital markets, promotion of cross-border investment, better information for control and decision-making purposes, more realistic planning experiences, among others. And to industry regulators, the adoption of IFRS could result in improved regulatory oversight and enforcement, a higher standard of financial disclosure, better information for market participants, stronger ability to attract and monitor listings by foreign companies, among others.

2.5.2 Challenges of Adoption of IFRS to Companies

In previous studies, many challenges have been identified as issues facing the adoption of IFRS by nations and Companies (only select some of them: - Alp & Ustundag, 2009, Kapoor & Ruhela 2013, Monisola 2013, Owolabi & Iyoha, 2012, Zakari, 2014 Florou & Pope2012). Alp & Ustundag, 2009; Kapoor & Ruhela, 2013 and Owolabi & Iyoha, 2012 about challenge of user awareness and adequate knowledge of IFRS. And related to this challenge of adequate training of relevant professionals in preparing financial statements according to the IFRS. Also, there is the challenge of changes in the legal system from the use of national accounting laws to the use of IFRS and enforcement and compliance mechanism (Kapoor & Ruhela, 2013) inaddition with of conversion, the complexity of conversion, retention of key employees, ethical business environment, timely interpretation of standards (Owolabi & Iyoha, 2012). And (Mulyadi, Soepriyanto, & Anwar 2012, Odia & Ogiedu 2013, Zakari 2014) showed that, IFRS implementation for SMEs should be more challenging in taxation and capital maintenance rules within a complex tax system. Also, the application and implementation of IFRS is more challenging in developing countries United Nations, 2008 study and countries that did not develop their own accounting standards than in developed countries that developed their own standards (Bohušová & Blašková, 2011).

2.6 The application benefits of IFRS adoption effectiveness to companies

International Financial Reporting Standards are the common accounting rules which define how a business transaction should be reported. It also includes rules and laws about the information to include and disclose on financial statements. It is a set of new standards that have helped to solve many problems for organizations, but this system has also been accountable for creating problematic outcomes as well.

Several countries have not yet adopted and implemented IFRS, including the United States. Because this system does not receive a global acceptance, the accounting by foreign-based companies that conducts business in a nation that doesn't use the International Financial Reporting Standards becomes more of a challenge. These firms must create financial statements using one system, and then make another report using the Generally Accepted Accounting Principles that others use. The benefits and challenges of IFRS used to eliminate the reconciliation of the books that must happen under the current system, so there is an integrated picture available before making future decisions. By reducing barriers to a global expansion, which is why swapping to these standards are one an idea that receives a robust consideration.

2.7 Empirical Evidence

2.7.1 The adoption of IFRS by Developed Countries

IFRS adoption at the international level has been one of the issues more repeatedly analyzed and discussed in the accounting field, generating interest among scholars, investors, and other users of financial information. Many studies have examined the significances of IFRS adoption. After several years of empirical analysis, some literature reviews on the subject were issued by journals in the accounting field. While some articles provide interesting literature analyses, such as Brown (2011, 2013) and Hail et al. (2010a, 2010b), few of them offer a systematic review on the theme, Zeghal and Mhedhbi (2006), Soderstrom and Sun (2007), Pope and McLeay (2011), Palea (2013), K., Chalmers, and Ahmed, and Khlif (2013), and Sellhorn (2013), in English; and Calixto (2010), in Portuguese.

Sodestrom and Sun (2007), mainly focused on the analysis of studies addressing the impact of voluntary IFRS adoption in the EU. They emphasize the strong influence of the institutional context in the accounting information quality and warn about the impossibility to generalize outcomes regarding voluntary IFRS adoption for its mandatory adoption.

Chamisa (2000) studies the role of IFRS in improving the quality of accounting information, especially the financial reporting as one of the main sources of information in the developing countries, where reliable information is rarely available but only existence of capital market alone is not enough as the development of a capital market which is different in each country will undoubtedly indicate the different level of attention to the necessity of IFRS.

Ramanna and Sletten (2009), have analyzed an indirect relationship between a quality of local governance institutions and the possibility of IFRS adoption. Their research uses a sample from developed countries and developing countries. When the quality of local governance institutions is not adequate, it will have a positive effect due to the high benefits received from the adoption and implementation of IFRS.

Zeghal and Mhedhbi (2006), analyze the existence of the capital market in a country will enhancement those countries to apply IFRS based financial statements as an effort to ensure that the quality of information is useful for investors and IFRS apply the accounting systems that assurance the high quality of financial information to investors.

Pope and McLeay (2011), have analyzed studies on mandatory IFRS adoption in the EU and funded by EU about Compliance, Consequences and Policy lessons funded. They also emphasize that the effects of mandatory IFRS adoption are not uniform in the EU, as a result of differences in incentives and local law enforcement mechanisms.

Frankel and Li (2004), have analyzed as a common set of high quality global standards existing literature has documented the benefits IFRS as reduced information differences between the management and investors. And also, Hope et al. (2006) analyze these it is expected that the implementation of IFRS would facilitate investors in making their economic decisions; it will improve competitiveness with more access to foreign capital, and would help in strengthening the investors' relationship with the management.

So, considering that IFRS is to support developed capital markets, smaller investors from less developed capital markets would encounter hard times understanding the reported figures and interpreting newly ratified standards. Because implementing IFRS that creates comparability's in presence but obscures real differences in commercial activity and reduce the precision of economical transaction recording by introducing too many alternatives, which sometimes are not needed and not relevant to the local setting.

Although, the composition of international and national stakeholders in the individual country varies greatly, so does the need of adopting IFRS. Particularly, the potential benefits of adopting international standards might not be materialized because of weak interpretation and implementation. In developing countries, the problems of governance are notorious, rules are often misinterpreted. Another issue is that countries might adopt IFRS, not because of potential economic benefits associated with the adoption, but just because countries want to be perceived as socially acceptable and legitimate jurisdictions for doing international business.

2.7.2 The adoption and implementation of IFRS in Ethiopia

In Ethiopia, studies have been made on related topics. For instance, (Fareed & Zinabu, 2015) conducted a study on the assessment of the implementation of IFRS in the Ethiopian Banking sector; and IFRS adoption progress in Ethiopia (Alemi & Pasricha, 2016), IFRS Adoption in Ethiopia issues, processes (Yitayew, 2016), benefits and a key challenge in Ethiopia (Tesfu, 2012), and this research work is similar in assessing challenge and benefits of IFRS but they didn't indicate about adoption and implementation effectiveness of IFRS on the quality of financial reporting.

The financial institution is not capable to adopt IFRS with quality because there is lack of IFRS expertise and sufficient period to prepare quality financial reporting as required by IFRS standards. The factors that initially added to the introduction of IFRS in Ethiopia appear external-attracting investment for economic development. According to a study conducted by (ROSC,2007), Before 2016, there is no particular accounting standard in Ethiopia. Even though some of the laws specify to use GAAPs for example the income tax proclamation of Ethiopia article 58(1). Given this, moving out from such a sophisticated and traditional way of report preparation will not be smooth, so this study tries to find out major challenges and opportunities of adopting IFRS with a recommendation to facilitate the process of IFRS adoption on the quality of financial reporting in the Banking sector in Ethiopia.

(Worku Shiferaw,2018) conducted research on the challenges and benefits of IFRS adoption in Ethiopia explains after the successful transition to these standards in Ethiopia the first time implementation of IFRS requires a lot of training and some difficulties may also be experienced. To ensure a smooth transition from the existing inconsistent accounting Standards to IFRS, Continuous training to staff and addressing all the difficulties that would be experienced while carrying out the implementation is also required, on the other hand, to fine-tune with the main challenges of IFRS implementation, the process should be supported by all stakeholders. In other words, a tough IFRS capacity-building program should be boarded upon by all regulatory bodies, companies, and training institutions to provide the needed manpower for IFRS implementation. IFRS is principally meant to promote the concern of corporate entities and in particular to enhance their access to low-cost funds from international capital markets through the presentation of credible, reliable, and comparable financial statements hinged in full disclosures. The corporate entities need to own the transition process as well as work closely with professional bodies so that they can positively impact the standard-setting process.

The transition to IFRS has its benefits and challenges for all users and prepares of financial statement, so its implications for preparers, users, educators, and other stakeholder has to be effectively coordinated and communicated. Professional bodies should embark on massive sensitization of their members and users of accounting to apprise them of the fundamental change that will occur in the financial reporting of the country through advocating its advantage.

(Fikru Fantahun,2012) in his paper about the Adoption of International Financial Reporting Standards (IFRS) in Ethiopia focused on the benefits, challenges, and Factors that could explain the adoption of the standards in Ethiopia. He suggests that for future research to be conducted on the issue of disclosure and compliance with IFRS in Ethiopia. This would include the detailed application of the adopted and implemented standards and how well companies in Ethiopia apply these standards. Also, little is known about how mandatory IFRS adoption affects financial statements and it is therefore still an open question whether financial statements are more informative following mandatory IFRS adoption to be conducted in the financial reporting domain.

(Halefom Seyoum Desta, 2018) on his study about the assessment adoption of international financial reporting standards (IFRS) in selected commercial banks in Ethiopia suggested that the International Financial Reporting Standards (IFRS) is a wider scope of accounting which cannot be dealt with in its entirety in one study alone. The study focused on the prospects, challenges, and Factors that could affect the adoption of IFRS standards by commercial banks in Ethiopia based on five Likert scales; it better to conduct further research on the performance of implementation using more than five Likert scales, other factors affecting the adoption with the more qualitative concept. Besides, future research to recommend to be conducted on the issue of implementation and evaluation with IFRS adoption in Ethiopia. Even though the researcher some important factors affecting the adoption of IFRS, the researcher advocates more studies to be conducted on other factors affecting the financial reporting field for other companies in the country.

(Firdawok Teshome, 2017) in his study about the challenges and prospects of International Financial Reporting Standards (IFRS) implementation in Ethiopia, he suggests that the International Financial Reporting Standards (IFRS) is a broader scope of accounting that cannot be dealt with in its entirety in one study alone. His study focused on the prospects, challenges, and Factors that could explain the successful transition to these standards in Ethiopia. And for future research to be conducted on the issue of disclosure and compliance with IFRS in Ethiopia. This would include the detailed application of the adopted and implemented standards and how well companies in Ethiopia apply these standards. Furthermore, little is known about how mandatory IFRS adoption and implementation affects financial statements. Also, small and medium scale enterprises adopt and comply with IFRS tailored for them could also be considered as another area for future research. And, this study attempted to focus on the factors affecting the implementation of IFRS in Ethiopia.

(Alexander Hache, 2019) studies about the Challenges and Opportunities in Adopting IFRS by Private Commercial Banks suggested considering the accessibility of the IFRS implementation team, data, and researcher participation in the adoption process in the private Banks. In doing this study and in the work process of adoption he recommends that future researches focus on the impact of the newly introduced IFRS 9 which was changes from IAS 39 which focuses on the financial instrument where all banks are major will be impacted by the adoption of this standard. Moreover, another area where future researchers can focus is on the financial impact of the adoption of IFRS compared to the GAAP financial statement since all financial institutions issued their financial statement based on the IFRS standard effective June 30, 2018.

(Selamu Seleshi, 2017) on his study factors affecting adoption of international financial reporting standards in commercial bank of Ethiopia conclude that his study was focused mainly on factors affecting adoption of IFRS and the researcher found four important factors affecting adoption of IFRS in Commercial Bank of Ethiopia and the International

Financial Reporting Standards is a broader scope of accounting that cannot be dealt with only by those used factors. Furthermore, since CBE is the largest banking organization in the country, other factors may affect the adoption of IFRS other than in this study. So the researcher suggested future studies could be conducted with other variables and contextual factors.

Therefore, this study is motivated by the absence of relevant studies that assess the effectiveness of adopting and implementation of IFRS and its contribution to the quality of financial reports in the ethio-telecom in Ethiopia. The researcher has many reasons to conduct this research, among them nature of the telecom industry, nature of monopoly, nature of IFRS adaptation and implementation, nature of ethio-telecom employees' behavior competency, Performance, and competency are the major ones; these reasons makes this paper different from those researches which were conducted on the same topic. In addition to this, it is important to notice that the Ethiopian environment is different from the developed countries environment and the accounting profession is more developed and where there is a specific set of accounting regulation and an independent standard-setting body. Therefore, it is better to see the problem in a national and international context to enrich, and understanding of IFRS adoption and implementation effectiveness related to in ethio-telecom context.

And although ethio-telecom is the only telecom operator in Ethiopia and most of the previous studies focus on banking and financial sectors about IFRS adoption and implementation process and challenges the researcher is motivated to assess the effectiveness of adoption and implementation of IFRS results on the financial report.

2.8 Summary and Gap in the Existing Literature

The review of the literature shows various discussions and perspectives about the IFRS adoption practices based on developed countries and in Ethiopia and it reflects some of the issues relating to the debates challenges, and benefits, of IFRS adoption and implementation by countries with varying legal, cultural and socio-economic contexts. (Fikru Fantahun Tesfu,2012) in his paper only focused on the benefits, challenges, and Factors that could explain the adoption. (Halefom Seyoum Desta, 2018) in his study about the assessment adoption of international financial reporting standards selected commercial banks in

Ethiopia suggested that the International Financial Reporting Standards (IFRS) is a wider scope of accounting that cannot be dealt with in its entirety in one study alone.

(Firdawok Teshome, 2017) study focus only on the challenges and prospects of International Financial Reporting Standards (IFRS) implementation in Ethiopia. Although various survey studies have been conducted to measure the adoption and implementation of IFRS in different countries of the world, most of the studies have been carried out on IFRS analyzing the data from member countries of EU (Jermakowicz, 2004; Alicja et al., 2007; Robyn and Graeme, 2009; William et al., 2010; Alessandro et al., 2009; Apostolos et al., 2010; Jermakowicz et al., 2007; Susana et al., 2007). Even though IFRS looks to be equally significant for all countries, there is a lack of an empirical study that surveys the data from developing countries and in specific Ethiopia. But no one studies in Ethiopia in telecom companies as well as the result of the effectiveness of IFRS adoption and implementation.

Ethiopian companies that have already mandatory adopted the system starting 2016 and the adoption and implementation are not matured. Hence, this requires an academic investigation that evaluates the adoption and implementation effectiveness of IFRS in Ethiopia as well as the benefits and challenges of adopting and implementing IFRS. Firstly, this study tries to bridge this gap and elaborated on the prospects and challenges in the adoption and implementation of IFRS in ethio-telecom.

Secondly, at the time of adoption and implementation of IFRS how to ethio-telecom Top management, Audit corporation, Ethiopian Revenues and Customs Authority (ERCA), Ministry of Finance and Economic Development (MOFED) and Accounting and Auditing Board of Ethiopia (AABE) being the key players in standards, need to work together and it should also carry out the awareness campaign to ensure that ethio-telecom fully implement IFRS.

Thirdly, investigate the quality of financial reporting based on uniformity in accounting language, the attraction of foreign investment and financial support credible financial information, and close the Communication gap within Stakeholders of ethio-telecom after the adoption and implementation of IFRS.

CHAPTER THREE

3. Research Design and Methodology

This chapter describes the research questions and gathers evidence and analyzes and resolves the accuracy of the method chosen. The chapter starts with a research design, sampling and sampling method, type of data, source of data, instruments of data collection and it includes method of data analysis.

3.1 Research Design

The objective of the research is to assess and investigate the adoption and implementation result effectiveness of IFRS in ethio-telecom, so for the research which has the above-mentioned objectives will descriptively type of research is better. So, the research design of the study is descriptive. (to achieve the specific and general objectives of this study and a mixed quantitative and qualitative method used to analyze the collected data). Descriptive researches are those studies that are concerned with describing the characteristics of a particular individual, or of a group and it includes surveys and fact-findings enquire of different kinds (Sakaran, 2003).

One of the mechanisms of research is getting enough information about the research problem, the what, how, when, and where answers, which is why descriptive research is an important type of research. It is very useful when conducting research whose aim is to identify characteristics, frequencies, trends, correlations, and categories. This research study is academic research, which is completed with limited time and money resources. Therefore, the Survey strategy used to collect large amounts of data using a questionnaire through email and semi-structured interview from a sample population through phone and skype (Because of the Coivd-19 problem) in a highly economical way.

3.2 Sampling and sample Design method

A sample design is made up of two components. Random sampling from a finite population refers to that method of sample selection that gives each possible sample combination an equal probability of being picked up and each item in the entire population to have an equal chance of being included in the sample.

3.2.1 Target Population

The target population is the group of individuals that the intervention intends to research and conclude from. The target population of the study is 344 finance division staff from five departments. The very reason for accounting practitioners to be the only target population is due to their expertise, relevance, and knowledge of IFRS and also those employees involved in the adoption and implementation of IFRS project and support staffs that produce financial statements in ethio- telecom.

3.2.2 Sample Size

A sample design is a framework, or road map, that serves as the basis for the selection of a survey sample and affects many other important aspects of a survey as well. The sample size consisted of 14 IFRS project team members and 34 finance staff (a total of 48 employees were taken from the population) those involves in the conversion and implementation of IFRS in ethio-telecom

3.2.3 Sampling Design

The sampling design for this population is used non-probability purposive sampling to select of IFRS project team and Head office finance staff that involves in the IFRS adoption and implementation process. The purposive sampling technique was used for this study as it focuses on selected groups working for IFRS adoption and implementation time because they are believed to be very knowledgeable about IFRS at an early stage. The purposive sampling is used to distribute the questionnaire and semi-Structured interviews for all IFRS project teams. This approach is the best and appropriate for non-probability sampling as all the respondents will require for this study has unique characteristics and cannot be replaced by any other person. Also, from the result that is appropriate for further empirical investigation in any other situations, it is the most appropriate method.

3.3 Type of data, source of data, instruments to be used on data collection

Is the instrument to collect quantitative or qualitative data for analysis and the instrument chooses to collect the data is depending on the type of data.

3.3.1 Data Type

The study applied both qualitative and quantitative research methods. From the qualitative research approach, the researcher used interviews (semi-structured) to identifies factors of the company size, leadership and commitment, government policy, and availability of technical skill & from quantitative research methods, the researcher used questionnaires to identifies the challenges, benefits and stakeholders' involvements at the time of adoption and implementation of IFRS in ethio- telecom.

3.3.2 Source of Data

This study was used both primary and secondary sources of data for collecting valuable data. The use of primary sources supports the researcher to produce accurate data and to gather firsthand information which could lead the researcher to make a valid analysis. The primary source of data will distribution a closed-ended questioner through email and a semi-structural interview on skype to answer specific objectives one and two. The Primary data was gathered through an adapted questionnaire from previous related studies and modified with the consultation of experts by establishing face validity to use it as a research instrument. Closed-ended questions were used since it is easier to generate statistical analysis from respondents. The questions were formatted using the five points Likert scale form. The questionnaire was organized by giving importance to all factors related to the adoption and implementation of IFRS benefits, challenges, and stockholders' involvements. A secondary source of data includes feedback from the staff attain during IFRS training, Audit corporation audit reports, books, previous researches, company financial statements, journals, and article is to be searched to make the finding complete.

3.3.3 Data Collection Instruments

Finance Division is a division where valuable data available regarding the topic of study can be obtained. The researcher has been used both primary and secondary sources of data to get valuable information.

3.3.3.1 Primary Data

Primary data are those that are gathered for a specific purpose or a specific research project.

Questionnaires

The questionnaire is a tool designed for the collection of quantitative data and is widely used in construction research as it is a good research instrument for collecting standardized data and generalizing. Questionnaires can provide quick responses but adequate care must be taken when developing questionnaires, to ensure the researcher doesn't influence the response receive and the design of the questionnaire should reflect the researcher's aims and objectives. The questionnaire consisted of scale questions to collect opinions. A five-point Likert-style rating scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree) used to design the questionnaire.

The questionnaire has three parts. The first one is demographic information, and then the second part about the adoption and implementation of IFRS, and finally open-ended question regarding the topic.

Interviews

Interviews are a tool mainly for the collection of qualitative data and are popular as a data collection tool because of their flexibility. According to Silverman (1997: 98), interviews are active interactions between two or more people leading to a negotiated contextually based result. The interactions are a structured and semi-structured form to generate insights and concepts about the adoption and implementation of IFRS in ethio- telecom. From the interviews, the researcher tries to get additional information that strengthens the questionnaires.

3.3.3.2 Secondary Data

In the study of research, the researcher to be collect secondary data from ethio-telecom published and unpublished information such as company Dashboard. company portal, ethio-telecom adoption and implementation project guideline, company financial reports, AABE guideline, Enterprise Resource Planning (ERP) reports, processes, and other related secondary data. By this, the researcher understands and analyzes the process of conversion and IFRS financial statements.

3.4 Data Analysis

The data Analysis is descriptive that used to describe the general characteristics of sample respondents. To explore demographic profiles of each sample type frequency, a measure of central tendency like mean and standard deviation and percentage, and tabulation was used to describe the factors affecting challenges, and prospects of the adoption and implementation of the IFRS in the Financial reporting. Summary and tabulation of collected data by percentage are used to examine the benefits and challenges as well as the stakeholder's involvement as the time of the adoption and implementation of IFRS used to determine the proportion of respondents.

3.5. Reliability and Validity test of the Study

Reliability refers to how consistently or dependably a test measures a characteristic that produces similar scores for a person who repeats the test to measure reliably. Cronbach's alpha measure internal consistency how closely related a set of items are as a group and considered to be a measure of scale reliability. The general rule of thumb is that a Cronbach's alpha of .70 and above is good, .80 and above is better, and .90 and above is best.

CHAPTER FOUR

4. Data Analysis and Discussion

4.1. Introduction

This chapter explains the demographic information of the respondents and discusses the results of findings based on the analysis done on the data collected from ethio-telecom. The results of the study are discussed by summarizing issues related to the study area result from the questionnaire. The discussion tries to complete the objectives of the study and answer the research questions. For this research a total of 58 questionnaires were issued to 14 IFRS project team members and 34 finance staffs (a total of 48 employees were taken from the population).

So, the results found from the questionnaire are analyzed through descriptive statistics and statistical analysis using a statistical package for social sciences (SPSS).

4.2 Demographic Characteristics of the Respondents

4.2.1 Gender of Respondents

The demographic data in gender participants showed that out of forty-eight respondents were forty-two men and six women. Table 4.1 showed that the male respondents are the majority of the target population with a percentage of 88 %, while female respondents were represented only by 12 %. Since from the sample the majority of them are male employees, we can say that the gender balance is tending towards male staffs.

Table 4.1: Gender of Respondents

Gender	Frequency	Percentage	Cumulative Percent	Valid Percent
Male	42	88%	88%	88%
Female	6	12%	100%	12%
Total	48	100%		100%

Source: Study Survey, 2020

4.2.2 Age of Respondents

The sample population was slightly dominated by respondents of thirty-six up to forty years' age group, i.e. 48 %, followed by age group of above forty-one (33%) and the rest of the respondents were twenty-six up to thirty-five age group i.e. 19 %. There is no representative age group below twenty-five years and this show that the respondents' age group was reasonable age to understand the questionnaire and also matured age to answer genuine response.

Table 4.2: Age of Respondents

Age	Frequency	Percentage	Cumulative Percent	Valid Percent
≤25				
26-35	9	19%	19%	19%
36-40	23	48%	57%	48%
41 and above	16	33%	100%	33%
Total	48	100%		100%

Source: Study Survey, 2020

4.2.3 Educational Qualification of Respondents

It can be seen from table 4.3 the respondents hold a range of educational qualification from Degree to master's degree and no respondents hold a diploma. The majority of the group holds a Master's degree which accounts for twenty-eight (58%). Twenty (42%) of the respondents hold a First degree. And since all the respondents are educated, it can be concluded that all respondents are proficient in understanding and answering the questions adequately because of this the respondent opinion are important to solve research problems.

Table 4.3: Educational Qualification

Qualification	Frequency	Percentage	Cumulative Percent	Valid Percent
Diploma			0%	
BA/BSC	20	42%	42%	42%
Masters & above	28	58%	100%	58%
Total	48	100%		100%

Source: Study Survey, 2020

4.2.4 Professional membership certification of Respondents

It can be seen from table 4.4 the respondents certified on professional membership only Six persons (8%). And the rest of the group (92%) of the respondents have not certified.

Table 4.4: Professional membership certification

Certification	Frequency	Percentage	Cumulative Percent	Valid Percent
ACCA	3	6%	6%	6%
CIA				
CPA				
Other	1	2%	8%	2%
Total	4	8%		8%

Source: Study Survey, 2020

4.2.5 Attended in IFRS related trainings of respondents

It can be seen that from table 4.5 all respondents attained IFRS related training. So, they are easily understanding and answer the questions and that leads to a good result.

Table 4.5: Attended in IFRS related trainings

IFRS Trainings	Frequency	Percentage	Cumulative Percent	Valid Percent
Yes	48	100%	100%	100%
No			100%	
Total	48	100%		100%

Source: Study Survey, 2020

4.2.6 Service year of Respondents

In studying the adoption and implementation of IFRS result effectiveness in ethio- telecom, the experience of the respondents plays a significant role. The respondent's experience allows them to identify the major benefits and challenges of IFRS effectiveness result in ethio-telecom and other stakeholders and this service year experience used easily to understand the involvement of the shareholders. Table 4.6 below shown one-third of the respondents (33%) have a work experience of sixteen up to twenty years, followed by respondents with eleven to fifteen years' experience (31%) and above twenty years (20%) and the rest of the respondents have a work experience of six to ten years (6%). This indicates that 94% of the respondents who participate in this survey worked for more than five years in ethio-telecom. So it indicates that they can be giving a valid response and can provide an important perspective for the questions raised because they have more experienced especially in the Finance division.

Table 4.6: Service year in ethio-telecom

Service Year	Frequency	Percentage	Cumulative Percent	Valid Percent
≤5				
6-10	3	6%	6%	6%
11-15	15	31%	37%	31%
16-20	16	33%	70%	33%
21 and above	14	30%	100%	30%
Total	48	100%		100%

Source: Study Survey, 2020

4.2.7 Position of Respondents

As shown in Table 4.7 below, twenty-eight respondents or 58% of the respondents were finance management team members, eleven respondents or 23% of the respondents were finance specialists and while the remaining nine respondents or 19% finance supervisor and all three groups are within finance they mentioned specific title. This indicates that the questionnaire has been collected from various working group levels and titles of finance professionals which is diversified enough to collect different views on the adoption and implementation of IFRS.

Table 4.7: Job Position

Position	Frequency	Percentage	Cumulative Percent	Valid Percent
Specialist	11	23%	23%	23%
Supervisor	9	19%	42%	19%
Manager	25	52%	94%	52%
Director	3	6%	100%	6%
Total	48	100%		100%

Source: Study Survey, 2020

To conclude that except gender and professional membership certification all demographic characteristics of the respondents are dependable to each other.

4.3 Benefits, Challenges, and Stakeholder's involvement in adopting & implementing of IFRS

This chapter presents the data and discussion of findings. The general objective of the study is to assess the adoption and implementation of international Financial Reporting

Standard (IFRS) effectiveness in ethio-telecom. Three questionnaires, for Benefits, challenges, and stakeholder's involvement in adopting & implementing of IFRS. The studies were conducted at ethio-telecom a convenient sample selected from the Finance division. The sample consisted of fourteen IFRS project team members and thirty-six finance staff, and the result is present in the form of percentages, and words are described as follows.

4.3.1 Benefits of Adopting & Implementing of IFRS

The first objective of this paper was to identify the benefits of adopting and implementing IFRS and the study tried to discuss the benefits of adopting & implementing IFRS and the benefits are categories into four groups according to their usefulness to various stockholders. For this study, respondents were asked to respond to a total of twenty-two benefits of adoption and implementation statements based on international financial reporting standards by the statement in four major categories (ethio-telecom, Investors, MoFED, and Audit corporation) with a five-point Likert scale that is, 1 = Strongly Disagree 2 =Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree. The data related to the benefits to ethio telecom, Investors, MoFED, and Audit Corporation will be presented and discussed separately.

4.3.1.1 Benefits of Adopting & Implementing of IFRS for ethio-telecom

In this survey, for the listed questions, the respondents give their view and it analyzed as follows. For the first question IFRS improved standards of financial disclosure no one of the respondents says disagree and strongly disagree only 2.1% says neutral, 27.1% says agree and the remaining 70.8% responds strongly agree. This view of the project team and finance staff about IFRS adoption and implementation result effectiveness shows that the analysis of information on financial disclosure used for the improvement of financial statements standards representing 97.9% agreement from the total respondents. Further, the result shows that by knowing this information ethio-telecom management support to decide because disclosure requirements have formulated as higher-level principles related to the general purpose of providing useful information in making economic decisions about providing resources to the entity.

The respondents give their opinion for the second question adopting IFRS will result in quality information for control and decision -making purposes and analyzed the answer like this, no one respondent answers strongly disagree, disagree and neutral. 60.4 % say agree and the remaining 39.6% respond strongly agree. This survey result of the respondent shows 100% of them agreed on the benefits identified in the question in adopting and implementing IFRS. So based IFRS financial statement information's etho-telecom managements are decide not based on historical information but based on quality information that defines ethio-telecom financial statements accountability, transparency, and efficiency. Based on high-quality information relevant for managers in the decision-making process to fulfill the goals of an organization by looking at costs and revenues reporting is a term defined by a global accounting standard.

For the third question of the benefits of adopting and implementing IFRS on ethio-telecom the respondent gives their opinion, it promotes better planning purpose as follows, 52.1% says strongly agree 35.4%, 10.4% says neutral and 2% of them says disagree. From this result, 87.5% of the opinions agree that adopting and implementing IFRS will be a chance for better planning for ethio-telecom management team. As in using IFRS one language in preparing financial statements ethio-telecom have a better vision to future planning and the Standards contribute to economic efficiency thus improving capital allocation and the use of a single and trusted accounting language lowers the cost of capital and reduces international reporting costs.

The fourth question of this survey regarding benefits of adapting and implementing IFRS will reduce the cost of capital and the respondent gives their opinion no respondents strongly disagree and only 4% disagree but 31.3% say strongly agree, 39.6% agree and the remaining respond or 25.0% say neutral. As the majority of the respondents responded agree the adopting and implementing IFRS has reduced the cost of capital (70%) and 25% responded neutrally that IFRS have no cost of capital differs from the previous GAAP. So, from this, we can understand that majority of respondents agreed on the fact that IFRS would significantly reduce the cost of capital of ethio telecom. Because IFRS adoption is a reduction of cost of capital mainly due to the decrease of information asymmetry.

The fifth question of this survey regarding benefits of IFRS adoption and implementation effectively in ethio-telecom obtain a higher level of flexibility and the respondents answer 36.2% strongly agree 51.1% agree and 10.6% neutral. And from the answer, we conclude that International Financial Reporting Standards use a principles-based system instead of one that is based on a philosophy that follows specific rules. This arrangement gives an agency the freedom it needs to adapt to the global system to fit their specific situations, which eventually leads to the production of useful statements that are much easier to read. Because flexibility in approaching and disclosing the financial elements, considering the nature of each specific transaction and its corresponding circumstances.

The sixth question of this survey regarding the benefits of adopting and implementing IFRS will facilitate better business risk management, Risk measurement plays a central role in capital allocation decisions for ethio-telecom to allocate capital investment opportunities that provide the highest expected return for a given level of risk. Access to the information is thus critical for ethio-telecom to assess the expected risk and return of investment opportunities and make investment decisions. The respondent's opinion was 35.4% strongly agree, 54.2% agree and only 8.3% neutral. 89.6% agree that IFRS adaptation and implementation leads to lower levels of uncertainty and more efficient allocations of capital that supports economic growth. Because of IFRS compliant financial statements have risk disclosures, other detailed financial information's and transparency respondents agrees that business have better risk management. This response is further supported in Diana (2017) finding that IFRS adoption will provide better information for the decision making, and it facilitates efficient risk management.

The seventh question of this survey regarding the benefits of adopting and implementing IFRS improves the transparency level. From table 4.8 we can see that 56.3% of respondents strongly agree and 37.5% agree on the proposition IFRS enhances the transparency of ethio-telecom. From the respondents' perception, we can understand that adoption and implementation of IFRS enhance the transparency of ethio-telecom through better reporting and they will have more confidence in the information presented. Most of the respondents in question eight agree the adopting and implementing IFRS increases the level of quality in terms of financial reporting which is 56.3% strongly agreed, 41.7% also agree on effectiveness. From the result, we can conclude that the adoption and implementation of IFRS improve the quality of financial reporting. So, IFRS Standards bring transparency by enhancing the international comparability and quality of financial information, enabling investors and ethio-telecom to make informed economic decisions.

Finally, the group respondents for this survey give the response of the long-term benefited from adopting and implementing IFRS will outweigh the costs was confirmed by the respondents in the opinion i.e. strongly agree 37.0% and agree 34.8%. It would reduce the amount of work it takes to remove errors, meet multiple regulations, and distribute the information effectively because of this save a lot of money if they adopted and implemented of International Financial Reporting Standards in ethio-telecom

Table 4.8: Benefits of adopting & implementing of IFRS for ethio-telecom

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	Improved standards of financial disclosure	70.8%	27.1%	2.1%			100%	3.69	1.02
		34	13	1			48		
2	Quality information for control and decision making purposes	60.4%	39.6%				100%	4.60	1.25
		29	19				48		
3	It promotes better planning purpose	52.1%	35.4%	10.4%	2%		100%	4.38	1.31
		25	17	5	1		48		
4	It will reduce cost of capital	31.3%	39.6%	25.0%	4%		100%	3.98	1.05
		15	19	12	2		48	-	
5	It obtain a higher level of flexibility	36.2%	51.1%	10.6%	2%		100%	4.21	1.12
		17	24	5	1		47	-	
6	It will facilitate better business risk management	35.4%	54.2%	8.3%	2%		100%	4.23	1.13
		17	26	4	1		48	-	
7	It improves of the transparency level	56.3%	37.5%	6.3%			100%	4.50	1.21
		27	18	3			48	-	
8	It increases the level of quality in terms of financial reporting	56.3%	41.7%	0.0%	2%		100%	4.52	1.22
		27	20		1		48	-	
9	The long-term benefits of IFRS will outweigh the costs	37.0%	34.8%	26.1%	2%		100%	4.07	1.07
		17	16	12	1		46		
Aggregate mean and Aggregate standard deviation								4.24	1.15

Source: Primary data collection 2020

There were nine questions under analyses of benefits of adopting & implementing of IFRS to ethio-telecom. All questions had a mean score of more than 3.69 indicating that moderate and above Likert scale for the adoption and implementation of IFRS benefited by ethio-telecom with minimum mean score of 3.69 by question one, which perceived as the moderate prospect for the adoption of IFRS, Maximum mean score of 4.60 by question two perceived as high prospect for IFRS adoption and implementation benefited to ethio-telecom and the rest seven items have mean scores between these limits consider as high benefit opportunities from the adoption and implementation of IFRS to ethio-telecom respectively. Standard deviations of the all questions were nearest to 1.00, which shows that respondents perceptions were close to each other.

In general, the average mean response of the nine questions were more than 3.00 and the respondent agree that ethio-telecom benefited after adopting & implementing of IFRS. To conclude that, on average the respondents agreed with the proposal that the adoption and implementation of IFRS have many benefits to ethio-telecom.

4.3.1.2 Benefits of Adopting & Implementing of IFRS for Investors

In this section, the questioner results related to the benefits of adopting and implementing IFRS for Investors were analyzed. Respondents have asked them an opinion about the benefits of adoption and implementation of IFRS for Investors. In the table below it can be shown that in question one Financial Statements based on IFRS are reliable and comparable answered 54.2% strongly agree and agree 45.8% that financial statements prepared based on IFRS are more reliable and comparable. This advantage would allow anyone to become competitive because there is a greater understanding of what is going on with the financial health of ethio-telecom. So, this structure creates risk reduction benefits to Investors because from the same understanding of each data set instead of the multiple-tier the system.

The second question of this survey regarding the benefits of adopting and Implementing of IFRS Financial statements increase, the quality of information for the decision making of Investors. From table 4.9 we can see that 68.8% of respondents strongly agree and 31.2% agree with the statement. i.e 100% agree the quality of information supports the Investor in decision-making process. Also confirmed in the case of China, where among the A-share companies it was noticed the quality improvement of the financial reporting after substantial convergence with the IFRSs (Nnadi, n.d.). Similar benefits were also identified in the studies performed on the Mexican regulations adapted to the IFRSs (Palacios-Manzano and Martinez- Conesa,2014) and also in the case of Turkey (Balsari and Varan, 2014).

The third question of this survey regarding the benefits of adopting and implementing improves the ease of using one consistent reporting standard for investors when there is a subsidiary in different countries Investors. From table 4.9 we can see that 58.3% respondent strongly agree and 33.3% agree with the proposition. International Financial Reporting Standards set common rules and their financial statements can be consistent but using GAAP a number of other countries using other methods create separate account reports for each of its subsidiary companies. Because of this, the investors benefited by IFRS Financial Statements.

From table 4.9 in question four, we can see the result 47.9% of respondents strongly agree and 43.8% agree on the proposition IFRS generates flexibility by using a framework based on Principles because it uses a principles-based system instead of one that is based on a philosophy which follows specific rules. That means the goal of each standard in IFRS is to reach a reasonable valuation, and there can be several ways to reach that outcome. Because this structure gives investors the freedom to adapt the global system to fit their specific situations, which eventually leads to the production of useful statements that are much easier to read.

The fifth question of this survey regarding the benefits of using the fair value concept respondent strongly agrees 52.1%, agree 39.6% and only 8.3% neutral. i.e above 92% agree Investors benefited from the fair value concept. In fact, fair value accounting is supposed to ensure a higher degree of transparency in Financial statements, which should lead to a higher value-relevance of accounting data and a better capability of financial markets to reflect the actual value of a firm. However, critics argue that fair value accounting based on models is not reliable, therefore raising some doubts regarding its usefulness to investors (penman,2007, Benston,2008 koleve,2009, Gohetal,2009 and palea and maino).

For the last question in table 4.9, we can see the result 33.3% respondent strongly agree and 43.8% agree on the proposition IFRS will create a higher return on equity reconciliation amounts may vary by industry and country, but the overall benefits can better support economic growth to increases in stock value, dividend payments, and a strong regulatory environment. And supported by the researchers Holger Daske, Luzi Hail, Christian Leuz and Rodrigo Verdi examined 3,100 firms in 26 countries mandated to adopt IFRS. The authors concluded that a company’s adoption of IFRS creates strong economic benefits in countries with rigid regulation over financial reporting. These benefits include an increase in the stock’s market value, an increase in market liquidity, and a lower cost of capital. Companies with major differences between GAAP and IFRS standards show the greatest benefit when supported by a strong regulatory environment.

Table 4.9: Benefits of adopting & implementing of IFRS for Investors

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	Financial statements based on IFRS are reliable and comparable	54.2%	45.8%				100%	5.00	1.35
		26	22				48		
2	Increase the quality information for decision making	68.8%	31.3%				100%	4.69	1.28
		33	15				48		
3	Easy of using one consistent reporting standard when there is subsidiary in different countries	58.3%	33.3%	8.3%			100%	4.50	1.22
		28	16	4			48		
4	It generates flexibility by using a framework based on Principles	47.9%	43.8%	8.3%			100%	4.40	1.18
		23	21	4			48	-	
5	It benefits from using the fair value concept	52.1%	39.6%	8.3%			100%	4.44	1.12
		25	19	4			48	-	
6	It will create a higher return on equity	33.3%	43.8%	20.8%	2.1%			4.08	0.91
		16	21	10	1				
Aggregate mean and Aggregate standard deviation								4.52	1.18

Source: Primary data collection 2020

As shown in the table 4.9 above, the respondents overall aggregate mean rating regarding benefits of adoption and implementation of IFRS to Investors was 4.52 implies that benefits of IFRS were high (because this result lied 4.08-5.00). And average standard deviation was 1.18 and lies between 1.35 and 0.91 which shows most of the respondents' response was not far from the mean. All response clearly indicates that the Investors have benefited from the above listed benefits from adopting and implementing IFRS by ethio-telecom. Because IFRS is a single standard all over the adopted telecom companies so any investor can compare one telecom company to another telecom company financial statements prepared by IFRS standard.

4.3.1.3 Benefits of Adopting & Implementing of IFRS for MoFED

The first question of this survey regarding benefits of IFRS adoption and implementation facilitates foreign investment and creates financing sources to countries and one of the beneficiary is MoFED the result shows strongly agree 51.1% and 38.3% agree almost 90% agree. The presence of the International Financial Reporting Standards globally would make it easier for companies to invest in one another whenever there is a market opportunity. So, the adoption and implementation of a high quality set of harmonized accounting standards fosters FDI since the improvement of accounting information, in turn, fosters financial transparency and comparability, and reduces information asymmetries and unfamiliarity among agents in different countries.

For the second question adoption and implementation of IFRS benefits for MoFED is better industry comparison of financial statement and the result shows 60.4% strongly agree and 37.5% agree. From the result, we can conclude that 100% of the respondents agree on the adoption and implementation of IFRS through ethio-telecom benefited MoFED to compare Telecom Industries. Because in near future Ethiopian Government invites to participate foreign telecom companies in the Ethiopian telecom market.

The last question under the benefits of adopting and implementing IFRS for MoFED was improving regulatory oversight and enforcement. As it is shown in Table 4.10: 31.3% of the respondents' opinion strongly agrees and 46.8% agree. MoFED to be alert from the result to enhances regulatory oversight and enforcement.

Table 4.10: Benefits of adopting & implementing of IFRS for MoFED

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	Adoption of IFRS facilitates for foreign investment and creates financing sources to countries	51.1%	38.3%	8.5%	2.1%		100%	4.38	1.18
		24	18	4	1		47		
2	Better industry comparison of financial statement	60.4%	37.5%	2.1%			100%	4.58	1.24
		29	18	1			48		
3	It enhances regulatory oversight and enforcement	46.8%	31.9%	21.3%			100%	4.26	1.35
		22	15	10			47		
Aggregate mean and Aggregate standard deviation								4.41	1.26

Source: Primary data collection 2020

As shown in Table 4.10 above, the respondent's overall mean rating regarding benefits of adopting & implementing IFRS for MoFED was 4.41 implies that the benefits of IFRS were high because this result lied 4.26-4.58. And standard deviation lies between 1.18 and 1.35 shows most of the response was not far from the mean. This response indicates that, MoFED benefited from the above-listed opportunities from adopting and implementing of IFRS by ethio-telecom.

4.3.1.4 Benefits of Adopting & Implementing of IFRS for Audit Corporation

In this final section, the questioner results related to the benefits of adopting and implementing IFRS for Ethiopian Audit Corporation were analyzed. Respondents were answered the first question Ethiopian Audit Corporation was benefited from the accuracy and reliability of accounting information will be enhanced 41.7% strongly agree and agree 56.3%. i.e 98% of the respondents' opinion agreed. The information in the financial statements is reliable that information could accurate. By this Audit Corporations easily and with less cost perform their audit activity.

For the second question adoption and implementation of IFRS benefits for Audit Corporations easier to audit and incur less cost. The result shows 21.3% strongly agree 44.7% agree 25.5% neutral 4.3% disagree and the remain 4.3% strongly agree. So, the presence of International Financial Reporting Standards in ethio-telecom would allow Audit Corporation to cut down the amount of time and cost they spend on preparing audited financial statements because of rule-based standards.

The third question of this survey regarding the benefits of adopting and implementing IFRS harmonize internal and external reporting by creating a single accounting language and the opinions of the respondent 29.2% strongly agree, 62.5% agree, 6.3% neutral and only 2.1% disagree with the statement. 92% of the respondents agree with IFRS adoption and implementation in ethio-telecom harmonizes internal and external reporting by creating a single accounting language for Audit Corporation.

Finally, the respondents for this survey give the response for the question of improves external audit system from adopting and implementing of IRFS Financial statements supported by responding as, say strongly agree 31.3%, agree 45.8%, and 22.9% say neutral. Their response proves that 77.1% of the respondents agree that adoption and implementation of IFRS by ethio-telecom will improve Audit Corporation internal audit systems. So, if all public enterprises implement IFRS Audit Corporation audited its financial statements easily and with less cost because of financial statements uniformity.

Table 4.11: Benefits of adopting & implementing of IFRS for Audit Corporation

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	Accuracy and reliability of accounting information will be enhanced	41.7%	56.3%	2.1%			100%	4.40	1.18
		20	27	1			48		
2	It will make external audit easier and less costly	21.3%	44.7%	25.5%	4.3%	4.3%	100%	4.47	1.18
		10	21	12	2	2	47		
3	Harmonize internal and external reporting by creating a single accounting language	29.2%	62.5%	6.3%	2.1%		100%	4.44	1.21
		14	30	3	1		48		
4	Improves external audit system	31.3%	45.8%	22.9%			100%	4.21	1.12
		15	22	11			48		
Aggregate mean and Aggregate standard deviation								4.38	1.17

Source: Primary data collection 2020

The overall aggregate mean result rating regarding the benefits of adopting & implementing IFRS by ethio-telecom to Audit Corporation was 4.38 implies that the benefits of IFRS were high because this result lied 4.21-4.47, and the aggregate standard deviation was 1.17 and it lies between 1.12 and 1.21 which show most of the respondent's response was not far from the mean. This indicates that Audit Corporation was benefited from the above-listed opportunities from adopting and implementing IFRS by ethio-telecom.

So, the adoption and implementation of IFRS by ethio-telecom benefited the company itself, Investors, MoFED, and Audit Corporation.

4.3.2 Challenges of adopting & implementing of IFRS

This part tried to discuss the challenges of adopting & implementing IFRS and the challenges are categories into two groups according to their challenges to various stockholders. For this study, respondents were asked to respond to a total of seventeen questions about the challenges of adoption and implementation based on international financial reporting standards and have in two major categories (ethio-telecom & Audit corporation). Hence, in this section, the results of the survey as per categorical area are presented based on table 4.12 and 4.13.

4.3.2.1 Challenges of adopting & implementing of IFRS for ethio-telecom

As Table 4.12 the survey result collected from ethio-telecom employees for the response of the first question shows 41.7% says strongly agree, 45.8% agree and only 12.5% responds neutrally. That means 87.5% of the respondents agree on the adoption and implementation of IFRS requires the availability of competent specialists/professionals. This implies that staff will be required to undergo some training and development. So, effectively to adopt and implement IFRS it needs competent professions available at ethio-telecom.

For the second question regarding IFRS implementation is likely to increase tax burden on ethio-telecom, the respondents reply 8.3% says strongly agree, 29.2% agree 35.4% neutral,16.7% disagree 10.4% and strongly disagree 6.4%. Based on the survey result the respondent's opinion is disbursed and financial statements based on IFRS have not answered averagely about the tax burden. So, ethio-telecom should be identifying the implications of specific IFRS standards on their tax reporting and compliance, as each change on financial statements due to IFRS conversion will likely have a tax impact. This is also supported by Pawen J. (2011) in his research as a result of IFRS adoption, the tax liabilities undergo a change and this is also averagely predictable by the respondent in an increase in a tax burden.

For the third question from the total respondents, 12.5% says strongly agree, 33.3% agree, 29.2% neutral, 20.8% disagree, and remain 4.2% strongly disagree about IFRS has increased complexities in preparing financial statements thereby increased the risk of errors and omissions. The adoption and implementation of IFRS are complex and there is a possibility of creating errors which is a problem to adopt and implement quality financial statements.

The respondent results for question four show, 34.0% strongly agree, 44.7% agree, 12.8% neutral, and 78% agree to challenge the underlying logic of convergence, survey results highlighted that IFRS is costly for firms both in the lead up to adoption and thereafter. Because, the transition to IFRS imposed significant staff training and development cost, financial statement user education, and adjustment costs incurred by ethio -telecom.

Lack of professional institutions affects the adoption & implementation of IFRS the survey result of the respondents is, 41.7% strongly agree, 47.9% agree, and 10.4% neutral. Almost 89% agree on the adoption & implementation of IFRS must need professionals. It must adjust the courses offered at universities because International Financial Reporting Standards are not trained regularly in Ethiopia and it would shift the educational perspective in accounting.

The sixth question responses 11(22.9%) strongly agree, 20(41.7%) agree, 9(18.8%) neutral, and 8(16.7%) disagree this implies that measurement of fair values is the challenge to adopting and implementing during the adoption and implementation of IFRS. IFRS 13 require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. But in Ethiopia, there is no institution that measured companies' value on a market-based.
And question nine also related to the fair value measurement concept and respondent opinion about the value measurement being highly subjective hinders in the execution of IFRS, 16.7% strongly agree, 60.4% agree 18.8% neutral, and the remaining 4.2% disagree and most of the respondents agree with the statement. And this response was supported by (KPMG, 2012) there so many factors that can make fair value measures to introduce volatility into the financial statements which may include, the inherent volatility which is driven by the change in underlying economic conditions and is reflective of the changes in the value itself.

For the seventh question of the challenges to adopting and implementing IFRS, it gives their opinion as follows, 33.3% respondent says strongly agree, and 50.0% says agree. From this result, 83.3% agree that ethio-telecom faces a lack of sufficient and complete accounting data to produce IFRS financial statements.

On the eighth question from the total respondents, 16.7% strongly agree, 45.8% agree, 22.9% neutral, and 10.4% say disagree by not sufficient preparatory period is causing difficulty to convergence IFRS financial statements as challenge. ethio-telecom needs sufficient time for the adoption and implementation of IFRS to producing reliable financial statements.

And for the last question answered by the respondents' challenge of adopting and implementing IFRS will create an adjustment period filled with turmoil opinion to prepare financial statements:- 10.9% strongly agree, 43.5% agree, 41.3% neutral, and the remaining 4.3% disagree and ethio-telecom management was understanding the challenge on the adoption and implementation of IFRS Financial Statements.

Table 4.12: Challenges of adopting & implementing of IFRS for ethio-telecom

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	Lack of availability of competent specialists/professions	41.7%	45.8%	12.5%			100%	4.29	1.15
		20	22	6			48		
2	IFRS implementation is likely to increase tax burden on ethio-telecom	8.3%	29.2%	35.4%	16.7%	10.4%	100%	4.58	1.19
		4	14	17	8	5	48		
3	IFRS has increased complexities in preparing financial statements thereby increased the risk of errors and omissions	12.5%	33.3%	29.2%	20.8%	4.2%	100%	4.54	1.18
		6	16	14	10	2	48		
4	Adoption & implementation of IFRS is costly	34.0%	44.7%	12.8%	8.5%		100%	4.00	1.04
		16	21	6	4		47		
5	Lack of professional Institutions affects the adoption & implementation of IFRS	41.7%	47.9%	10.4%			100%	3.81	1.06
		20	23	5			48		
6	Problem with IFRS use of fair value accounting data	22.9%	41.7%	18.8%	16.7%		100%	4.33	1.14
		11	20	9	8		48		
7	Lack of sufficient and complete accounting data	33.3%	50.0%	8.3%	2.1%	6.3%	100%	4.02	1.08
		16	24	4	1	3	48		
8	Insufficient preparatory period is causing difficulty in convergence with IFRS	16.7%	45.8%	22.9%	10.4%	4.2%	100%	3.60	0.95
		8	22	11	5	2	48		
9	Fair value measurement being highly subjective obstructs in execution of IFRS	16.7%	60.4%	18.8%	4.2%		100%	3.90	1.09
		8	29	9	2		48		
10	It will creates an adjustment period filled with tumult	10.9%	43.5%	41.3%	4.3%		100%	3.61	0.96
		5	20	19	2		46		
Aggregate mean and Aggregate standard deviation								4.07	1.08

Source: Primary data collection 2020

The respondent's overall opinion on average regarding challenges on IFRS adopting & implementing by ethio-telecom was 4.07, which implies that IFRS adoption and implementation has challenges. And the aggregate standard deviation was 1.08 and lies between 0.95 and 1.19, and most of the response was not far from the mean.

So, it concludes that ethio-telecom management and IFRS team must carefully and thoroughly minimize the challenges.

4.3.2.2 Challenges of adopting & implementing of IFRS for Audit Corporation

As Table 4.13 below, challenges of adopting & implementing IFRS for Audit Corporation survey result collected from ethio-telecom employees for the first question about a problem with the IT system in handling the transition to IFRS result shows 14.9% strongly agree, 66.0% agree, and 14.9% neutral. The emerging of new technology and infrastructure changes arising from IFRS implementation requires high IT expertise from Audit Corporations. And to audit ethio-telecom financial statements Audit Corporation must purchase adequate IT infrastructure and trained its auditors to extract data from the system.

For the second question of the challenges to adopting and implementing IFRS, respondents give their opinion as follows, 8.3% of respondent says strongly agree, and 62.5% says agree. Almost 71% of the opinion agree that Audit Corporation employees' challenges by the quality of the audit report compromised due to insufficient or inadequate practical knowledge of adoption and implementation of IFRS as a roadblock to implementing the standard. Previous researchers Garuba (2011) Alexander (2019 support the result by concluding that most users, preparers, and auditors have little understanding of IFRS.

For the third question of the challenges to adopting and implementing IFRS, respondents give their opinion as follows, 18.8 % of respondents say strongly agree, 54.2% agree, and 27.1% neutral that lack of competent technology or software to run IFRS data to audit ethio-telecom accounts. Because of this, Audit Corporation must purchase capable technology to audit its client financial statements.

And for the next questions, Auditors have a lack or insufficiency of professional evaluators increases the overstatement or understatement of financial position the result was 18.8 % of respondents say strongly agree, 58.3% agree, and 22.9% neutral. Audit corporations must purchase new technology and software to perform audit tasks and participate in professional evaluators at the time of audit engagement. And research made by Alexander (2019), even using the internal source to close the lack of external evaluators will be without experience or expertise which also affects the financial position.

The fifth question response like this 18.8% strongly agree, 50.0% agree, 20.8% neutral and 10.4% says disagree that challenges Audit Corporation by inadequate training facilities at unaffordable cost is a roadblock to Audit IFRS Financial statements. So, the Ethiopian Audit Corporation must have trained its audit staff and increases audit fees.

The sixth question refers to the differences rooted in fundamental definitions, and concepts the project team and finance staff responded as follows, 14.6% strongly agree, 25.0% agree, 39.6% neutral, and the remaining 20.8% say disagree. For the last question, IFRS poses a conceptual challenge to Audit Corporation that responses, 10.6% strongly agree, 42.6% agree, 34.0% neutral and 12.8% says disagree. Even if the above two questions were answered by more percentage agreed but few respondents say neutral and disagree.

The conceptual framework states the fundamental concepts in which the standards are rooted and that underlie the preparation of financial reports. Due to several revised or new issues and as a component of authoritative guidance of the IASB in the absence of any standards or interpretations are high importance for all the stakeholders and Audit Corporation about IFRS framework. Because IFRS is a significant change, it presents some opportunities for the manipulation of the first set of accounts on transition to IFRS.

Table 4.13: Challenges of adopting & implementing of IFRS for Audit Corporation

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	Problem with the IT system in handling the transition to IFRS	14.9%	66.0%	14.9%	4.3%		100%	3.91	1.06
		7	31	7	2		47		
2	Quality of audit report will be compromised due to insufficient or inadequate practical knowledge of IFRS implementation	8.3%	62.5%	29.2%			100%	3.79	1.02
		4	30	14			48		
3	Lack of competent technology or software to run IFRS data for Audit	18.8%	54.2%	27.1%			100%	3.92	1.02
		9	26	13			48		

4	Lack or insufficiency of professional evaluators increases the over statement or under statement of financial position	18.8%	58.3%	22.9%			100%	3.96	1.06
		9	28	11			48		
5	Inadequate training facilities at unaffordable cost is road block to IFRS	18.8%	50.0%	20.8%	10.4%		100%	3.77	0.99
		9	24	10	5		48		
6	The differences are rooted in fundamental definitions and concept	14.6%	25.0%	39.6%	20.8%		100%	3.33	0.87
		7	12	19	10		48		
7	IFRS pose a conceptual challenge	10.6%	42.6%	34.0%	12.8%		100%	3.51	0.93
		5	20	16	6		47		
Aggregate mean and Aggregate standard deviation								3.74	0.99

Source: Primary data collection 2020

As shown in Table 4.13 above, the respondents overall average mean rating regarding challenges of adopting & implementing IFRS for Audit Corporation was 3.74 implies that challenges of IFRS were high because this result lied 3.33- 3.92 and aggregate standard deviation 0.99 and lies between 0.87 and 1.06 which shows most of the respondent's response was not far from the mean.

4.3.3 MoFED and Investors involvement in adopting & implementing of IFRS

This part tried to discuss the involvement of stakeholders in adopting and implementing IFRS and the involvements are categories into two groups according to their nature of involvement. For this study, respondents were asked to respond to a total of seventeen questions about the involvement on the adoption and implementation time in international financial reporting standards and the statements have in two major categories (MoFED and Investors). Hence, in this section, the results of the survey as per the two categories area are presented below.

4.3.3.1 MoFED involvement in adopting & implementing of IFRS

Here this study tried to discuss the entire question regarding MoFED involvement in the adoption and implementation of IFRS in ethio-telecom and the result shows a survey collected from IFRS project team members and Financial Division professionals. The respondents for the first question of MoFED involvement that support investors to compare a peer Industry financial statement and they give their opinion like this 37.5% of them strongly agree, 52.1% them agree on the proposition, and 10.4% neutral. Based on the survey around 88% of the result agree for this question considers that MoFED involvement at the time of adoption and implementation of IFRS support investors for comparing peer industry financial statements. So, the adoption and implementation of IFRS will increase the level of confidence of global investors and investment analysts in the financial statements of ethio-telecom.

For the second question of the involvement of MoFED support to produce more timely/real-time financial statements the respondents give their opinions as follows 33.3% strongly agree, 56.3% agree, and remain 8.3% neutral. Almost 90% of the respondents say agree with the idea. So, MoFED involvement as the time of adopting and implementing is crucial to produce ethio-telecom real-time Financial Statements.

For the third question of the involvement of MoFED support a better ability to attract and monitor listings by foreign companies the respondents give their opinions as follows 43.8% strongly agree, 54.2% agree, and remain 2.1 % neutral. 98% of the respondents say agree with the statement. Hence, a better opportunity for ethio-telecom to attract foreign investors through the involvement of MoFED. Previous researcher Akintola Owolabi (2012) support the result by concluding that the preparers and users are unanimous in their ranking that the adoption of IFRS will lead to a better ability of regulatory bodies to attract and monitor listings of foreign companies.

For the fourth question of the involvement of MoFED support to enhance the transparency of ethio-telecom through better reporting. The respondents give their opinion as follows 50% strongly agree, and 50% agree. All forty-eight respondents' opinions agree with the statements. This displays that the involvement of MoFED and other stakeholders improve the transparency of IFRS based Financial Statements.

As indicated in Table 4.14, 35.4% strongly agree, 58.3% of the respondents agree, and the remaining 6.3% are neutral for the fifth question about the involvement of MoFED on IFRS adoption improves regulation oversight and enforcement. So, the majority of the respondents agreed the involvement of MoFED benefited ethio-telecom to improve its financial statements by issuing new regulations. Previous researcher Akintola Owolabi (2012) support the result by concluding that the perception of preparers and users concerning the benefits of IFRS adoption to national regulatory bodies important because IFRS monitoring and compliance enforcement is a national issue.

Whereas in question six results of respondents on the involvement of MoFED on the adoption and implementation of IFRS in ethio-telecom provides greater credibility and improved economic prospects for the accounting profession 33.3%, strongly agree, 66.7% agree. 100% of respondents agree on MoFED involvement delivers greater credibility for the accounting profession on ethio-telecom Finance staffs.

Lastly, in question eight MoFED involvement provides better access to capital, including from foreign sources, the respondent's results 29.2% strongly agree, and 66.7% agree with the idea. Because of the involvement of MoFED in the adoption and implementation of IFRS in ethio-telecom has better access to the global capital market and management decision making.

Table 4.14: MoFED involvement in adopting & implementing of IFRS

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	Investors can compare a peer Industry financial statement	37.5%	52.1%	10.4%			100%	4.27	1.14
		18	25	5			48		
2	More timely/real time financial statement	33.3%	56.3%	8.3%	2.1%		100%	4.21	1.13
		16	27	4	1		48		
3	Better ability to attract and monitor listings by foreign companies	43.8%	54.2%	2.1%			100%	4.42	1.19
		21	26	1			48		
4	Adoption of IFRS enhance transparency of companies through better reporting	50.0%	50.0%				100%	4.50	1.22
		24	24				48		
5	IFRS adoption improves regulation oversight and enforcement	35.4%	58.3%	6.3%			100%	4.29	1.15
		17	28	3			48		
6	IFRS provides greater credibility and improved economic prospects for the accounting profession	33.3%	66.7%				100%	4.33	1.17
		16	32				48		
7		31.3%	54.2%	14.6%			100%	4.17	1.11

	It Improves regulatory oversight and enforcement	15	26	7			48		
8	Better access to capital, including from foreign sources	29.2%	66.7%	4.2%			100%	4.25	1.15
		14	32	2			48		
Aggregate mean and Aggregate standard deviation								4.30	1.16

Source: Primary data collection 2020

As shown in Table 4.14 above, the respondents regarding involvements of MoFED on the adopting & implementing of IFRS overall average mean rating was 4.3- implies that involvement of MoFED benefited ethio-telecom were high because this result lied 4.17- 4. 50 and aggregate standard deviation 1.16 and lies between 1.11and 1.22 which shows most of the respondent's response was not far from the mean. So, from the above eight questions, it concludes that ethio-telecom benefited from the involvement of MoFED.

4.3.3.2 Investors Involvement in Adopting & Implementing of IFRS

In the last part, the researcher tried to discuss the involvement of Investors in the adoption & implementation of IFRS in ethio-telecom based on table 4.15 results. Responses of project team members and finance staff for question one response that more confidence in the information presented by the involvement of Investors were 37.5% strongly agree, and 56.3% agree. 92% of the respondents agree that the involvement of Investors make the IFRS Financial statements presentation is full of information/disclosure. Reports prepared under IFRS standards is acceptable and increase confidence for the reliability of the information and financial report is understandable and transparent this cerate further investment and create confidence to investors.

The respondents also give their opinion for the second question adopting and implementing IFRS in ethio-telecom investors' involvement will result in a better understanding of risk and return the answer like this, 47.9% of says strongly agree, and 43.8% says agree. This survey shows that around 91.7% of them agreed to a better understanding of risk and return to ethio-telecom. So, Investors understand the risks that a company faces how it manages those risks and how effective the company's risk management strategy was. In addition, they want to be able to understand the difference between the economic outcome of the risk management strategies and the financial reporting outcome. This result was supported by Pat McConnell, 2014 under his study, New Hedge Accounting Model Will Improve Investor Understanding of Risk Management.

Investor involvement facilitates better information for decision-making financial reports because explanatory disclosures improve management information for decision making and the results of the respondents show, 60.4% strongly agree, and 35.4% agree with the second question. 96% of the respondents agree IFRS Financial Statements with disclosures are essential to Investors for decision making. Because Investors informed by recent economic events by the explanatory disclosures, thereby enhancing transparency and, ultimately, trust for investors.

Involvement of Investors saves time in analyzing IFRS Financial statements in question four, the survey result describes as 27.1% strongly agree, 50.0% agree, and the remain 22.9% neutral. The involvement of Investors at the time of adopting and implementing IFRS saves time to analyze IFRS Financial Statements. Because the involvement investor test if these results hold in the presence of asymmetric information, financial dependence, and family ownership structure. And for the fifth question, 18.8% strongly agree, 75.0% agree, and the remain 6.3% neutral. Based on the respondent's opinion Investor involvement in IFRS adoption and implementation provides better information on new and different aspects of the business. Because Investors have different experience and knowledge that share to ethio-telecom.

As indicated in Table 4.15:- 33.3% of the respondents response strongly agree, 64.6% of the respondents agree, and the remaining 2.1% are neutral for the sixth question on the involvement of Investors in the adoption and implementation of enhanced competitiveness. 98% of the respondents agree that IFRS has enhanced competitiveness. The participation of Investors in the adoption and implementation of IFRS increased the credibility of financial statements and leads to competitiveness.

The seventh question response from the IFRS adoption and implementation project team and finance staffs concerning IFRS improves management information for decision making is analyzed as follows, 43.8% say strongly agree, 54.2% say agree, and the rest 2.1% responded neutrally. And, 98% responded agree that the involvement of Investors improves decision by ethio-telecom management. Hence, Financial statement reporting based on IFRS improves the quality and consistency of information that needs to make effective, efficient, and timely decisions for company managers.

As indicated in Table 4.15 question eight, the respondent's opinion shows that 31.3% strongly agree 41.7%, agree and 27.1% neutral, and this present that they agree more than 72% a good opportunity for ethio-telecom to contact external peer group in the involvement of Investors on the adoption and implementation of IFRS. The participation of Investors was an opportunity to contact external peer groups and IFRS experts. Because IFRS changes the business language of the company, accounting, finance, IT, tax laws, companies act, and open multi-dimensional approach for the entire stakeholders.

Finally, the Project team and selected finance staff respondents for this survey give the response for the question of investors involvement facilitates mergers is supported by responding as, 20.8% strongly agree, 68.8% agree, and remain 10.4 % neutral. This response is further supported Jules Henri, Mvondo Engozo'o (2018) investors willing to enter into M&A deal in Africa to invest in countries where the IFRS system used for more comparability, high return growth, better capital markets, and a stable political environment because Investors support the evidence through international experience.

Table 4.15: Investors involvement in adopting & implementing of IFRS

No.	Questions	SA	A	N	D	SD	Total	Mean	SD
1	More confidence in information presented	37.5%	56.3%	2.1%	4.2%		100%	4.27	1.15
		18	27	1	2		48		
2	Better understanding of risk and return	47.9%	43.8%	4.2%	4.2%		100%	4.35	1.17
		23	21	2	2		48		
3	Better information for decision making financial reports because of explanatory disclosures	60.4%	35.4%	4.2%			100%	4.56	1.24
		29	17	2			48		
4	Save time in analyzing	27.1%	50.0%	22.9%			100%	4.04	1.07
		13	24	11			48		
5	It provides better reporting and information on new and different aspects of the business	18.8%	75.0%	6.3%			100%	4.13	1.13
		9	36	3			48		

6	It Enhance competitiveness	33.3%	64.6%	2.1%			100%	4.42	1.19
		16	31	1			48		
7	IFRS improves management information for decision making	43.8%	54.2%	2.1%			100%	4.42	1.19
		21	26	1			48		
8	The amount of contact with external peer groups and IFRS experts	31.3%	41.7%	27.1%			100%	4.04	1.07
		15	20	13			48		
9	It facilitates mergers and acquisitions	20.8%	68.8%	10.4%			100%	4.10	1.11
		10	33	5			48		
Aggregate mean and Aggregate standard deviation								4.26	1.15

Source: Primary data collection 2020

As shown in the table 4.15 above, the respondents regarding involvements of Investors on the adopting & implementing overall average mean rating was 4.26 this implies that because involvement of Investors ethio-telecom benefited were high because this result lied 4.04- 4. 56 and aggregate standard deviation 1.15 and lies between 1.07and 1.24 which shows most of the respondent's opinion was not far from the mean.

From overall opinion and facts, we can conclude that IFRS adoption and implementation have its benefit, challenges, and it needs stakeholder's involvement. After identifying the opportunity, challenge, and stakeholder's involvement ethio- telecom produce reliable and transparent financial statements.

Finally, respondents provide any additional observations or comments concerning the IFRS adoption and implementation result effectiveness in ethio-telecom was placed in the last part of the questionnaire. Even, only few respondents from project team and Finance staffs have replied on it here summarized as below: -

- √ Adoption and implementation of IFRS is not an easy job. It has many challenges in relation to first conversion that are high implementation cost, complexity of financial report, lack of IFRS guideline, problem of system support and understanding and interpreting and high level of training requirement. On the other adopting IFRS for ethio- telecom currently will have a benefit to compete in the telecom industry by changing the monopoly market.
- √ Since it is a new decision, we could not easily have adopted it and it takes a long period of time to be implemented and it costs to the company by hiring various consultants.
- √ IFRS adoption is very important to have standard, efficient, consistency and transparent financial information in ethio-telecom.
- √ Additional enablers are Financial Capacity, and purchased service to convert first time adoption and challenges are Componentization issue & policy change.
- √ The implementation process of IFRS needs to have an expanding attention by the governing body and government officials for enabling effective implementation of the project successfully across all sectors of the country.

CHAPTER FIVE

5. Summary of Major Finding, Conclusion and Recommendations

5.1 Summary of Major Finding

Even though ethio-telecom committed to avail educated human power, recruit consulting firm, trained IFRS teams and technology to adopt and implement IFRS effectively but also challenges for producing qualified financial statements, and this thesis focused on identifying the major challenges, opportunities, and stockholder's involvement in adopting and implementing of IFRS result effectiveness. Based on the analysis, it summarizes the main benefits, challenges, and stockholders' involvement in the adoption and implementation of IFRS result effectiveness.

5.1.1 Benefits of adopting and implementing of IFRS for ethio-telecom, Investors, MoFED and Audit Corporation

IFRS produces enough information for decision-making and improves the transparency level. So, it reduces the cost of capital to ethio-telecom. For investors, this consistent reporting standard is used to apply the fair value concept. Furthermore, foreign investment to the country and better industry comparison to MoFED and Audit corporation by improving an internal audit system makes it easier for audit and incurred less cost. This could create a conducive environment for both ethio-telecom and external groups.

5.1.2 Challenges of adopting and implementing of IFRS for ethio-telecom, and Audit Corporation

From the analysis, there is a lack of availability of competent professions knowledge gap and lack of professional institutions affects the adoption & implementation of IFRS in ethio-telecom. Moreover, IFRS requires fair value accounting measurement that requires sufficient and complete accounting data because of this ethio-telecom expensed a huge cost.

The analysis concludes that Audit corporation's challenges by the quality of audit reports due to insufficient and inadequate practical knowledge of IFRS implementation and lack of competent technology and software to run IFRS data. The study revealed that inadequate training facilities at unaffordable costs are a roadblock to audit IFRS financial statements. The study further presumed that the differences are rooted in GAAP and IFS financial statements in fundamental definitions and concepts.

5.1.3 Stakeholders involvement in adopting & implementing of IFRS

From the analysis of the study, MoFED involvement in the adapting and implementing of IFRS is used to compare a peer industry financial statement and better ability to attract and monitor foreign companies. On the other hand, IFRS provides greater credibility and improved economic prospects and enhances the transparency of companies through better reporting improves regulation oversight and enforcement. Moreover, the involvement of MoFED support to access capital from foreign sources. Investors' involvement in adopting & implementing IFRS boost better information for decision making because of adequate explanatory disclosures and provides better reporting and information on new investments and different aspects of the business. Also, enhance competitiveness and facilitates mergers and acquisitions.

5.2 Conclusion

After 2015 in Ethiopia the adoption and implementation of IFRS are the main subject in every division and department of companies because of this it demands local companies deliver training and even global training providers and consultants are entering Ethiopia to take their knowledge and adopters and implementers are also spending huge amount of money in capacity building and adoption and implementation process to meet the deadline set by the regulatory body for mandatory adoption.

Even all resources are committed to avail fully by ethio-telecom but there are still challenges to adopt and implement IFRS effectively and this thesis focused to identify the challenges, opportunities, and stakeholders' involvement in adopting and implementing IFRS by ethio-telecom. Based on the finding there are challenges on the company side such as are lack of availability of competent professions, increased complexities in preparing financial statements, lack of professional institutions affects the adoption & implementation process, estimation problem to use of fair value accounting, the insufficient preparatory period is causing difficulty in convergence and high cost, insufficiency of professional evaluators increases the overstatement or understatement of financial position.

From the stakeholder's point of view adopting and implementing IFRS is used to compare a peer industry, real-time financial statement, improves regulation oversight and enforcement, better access to capital, understand of risk and return, enhance competitiveness, and facilitates mergers and acquisitions. Because of this, stakeholders especially investors be able to utilize the opportunities for decision making that invest in ethio-telecom.

5.3 Recommendations

Based on the conclusions drawn, the following recommendations are provided to the IFRS adoption and implementation effectiveness result in ethio-telecom.

- Board and Management of ethio-telecom have to provide attention to the adoption and implementation of IFRS. It has to be committed and to understand the usefulness of financial statements produced in IFRS that develop accountability, transparency, and efficiency.

- IFRS adoption and implementation in ethio-telecom should be supported by all stakeholders. So, the IFRS capacity building program should be embarked upon by AABE and foreign and local training institutions.

- ethio-telecom evaluates its asset by foreign company KPMG but it affects the fairness of the financial statement of the company as it is open for error resulting in over or understatement of financial statement. Therefore, to overcome this problem the Government can utilize the local expertise to evaluate their asset.

- For successful implementation of IFRS, the engagement and consultation of professional bodies play a great role. Consequently, these bodies need to be strong and conduct independent oversight. The accounting and auditing board of Ethiopia, the board of directors, and senior management should closely monitor and assist the IFRS adoption and implementation procedures and take necessary action on the problems encountered.

Finally, the findings expose that several factors influence the adoption and implementation of IFRS result effectiveness in ethio-telecom. Based on the findings of the study, MoFED and Investors must support the effectiveness of the adoption and implantation of the IFRS process.

5.4. Recommendation for Future Research

This study was conducted on IFRS adoption and implementation result effectiveness in the case of ethio-telecom only taking into account. However, it would be useful to extend similar researches in the case of all government public entities that apply IFRS implementation. Besides, other areas where future researchers can focus on the financial earnings of reporting entities and the qualities of financial reports of the adoption and implementation of IFRS result effectiveness since all government public enterprise that issued their financial statement based on the IFRS standard.

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APPENDICES

Appendix I: Questionnaire

ADDIS ABABA UNIVERSITY

Master of Business Administration (Finance)

Researcher: Yonas Ayele

Dear Respondents,

The aim of this questionnaire is to explore information regarding the adoption and implementation of International Financial Reporting Standards (IFRS) effectiveness in ethio telecom for the partial fulfillment of the requirements for Masters of Business Administration (Finance) at Addis Ababa University. The outcome of this study will be used for academic purpose only.

Therefore, your genuine response to the questions is vital for the quality and successful completion of the study. The accuracy of the information you provide highly determine the reliability of the study.

Contact Address:

Yonas Ayele

Tele - +251 911 184115

Gmail –meronyonasayele@gmail.com

Thank you in advance for your unreserved cooperation!

Part I: Demographical information - Please put '√' in the box

1.1. Gender

Male ☐ Female ☐

1.2. Age Group:

≤25 ☐ 26 – 35 ☐

36 – 40 ☐ 41 and above ☐

1.3. Educational Status:

Diploma ☐ BA/BSC ☐

Masters & Above ☐ Other please specify ________________

1.4. Professional membership certification

ACCA ☐ CPA ☐

CIA ☐ Other(Specify) _____________

1.5. Did you have attended any IFRS related trainings?

Yes ☐ No ☐

1.6. Your service year:

≤5 ☐ 6 – 10 ☐
11 – 15 ☐ 16 – 20 ☐
21 and above ☐

1.7. The position you hold in the organization

Specialist ☐ Supervisor ☐
Manager ☐ Director ☐
Other _______________________

Part II: Issues related with the study area

Please read each statement carefully and show the extent of your agreement on the statements by putting '√' in the box the numbers in the column using the following rating scale (Likert Scale).

Where: 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

1. Benefits of adopting & implementing of IFRS

Ser. No.	Statement	Scale				
		1	**2**	**3**	**4**	**5**
	Benefits of adopting & implementing of IFRS for ethio-telecom					
1	Improved standards of financial disclosure					
2	Quality information for control and decision making purposes					
3	It promotes better planning purpose					
4	It will reduce cost of capital					
5	It obtain a higher level of flexibility					
6	It will facilitate better business risk management					
7	It improves of the transparency level					
8	It increases the level of quality in terms of financial reporting					
9	The long-term benefits of IFRS will outweigh the costs					
	Benefits of adopting & implementing of IFRS for Investors					
10	Financial statements based on IFRS are reliable and comparable					
11	Increase the quality information for decision making					
12	Easy of using one consistent reporting standard when there is subsidiary in different countries					
13	It generates flexibility by using a framework based on Principles					
14	It benefits from using the fair value concept					
15	It will creates a higher return on equity					
	Benefits of adopting & implementing of IFRS for MOFED					
16	Adoption of IFRS facilitates for foreign investment and creates financing sources to countries					

17	Better industry comparison of financial statement					
18	It enhances regulatory oversight and enforcement					
Benefits of adopting & implementing of IFRS for Audit corporation						
19	Accuracy and reliability of accounting information will be enhanced					
20	It will make internal audit easier and less costly					
21	Harmonize internal and external reporting by creating a single accounting language					
22	Improves external audit system					

2. Challenges of adopting & implementing of IFRS

Ser. No.	**Statement**	**Scale**				
		1	**2**	**3**	**4**	**5**
Challenges of adopting & implementing of IFRS for ethio-telecom						
1	Lack of availability of competent specialists/professions					
2	IFRS implementation is likely to increase tax burden on ethio-telecom					
3	IFRS has increased complexities in preparing financial statements thereby increased the risk of errors and omissions					
4	Adoption & implementation of IFRS is costly					
5	Lack of professional bodies/institutions affects the adoption & implementation of IFRS					
6	Problem with IFRS use of fair value accounting					
7	Lack of sufficient and complete accounting data					
8	Insufficient preparatory period is causing difficulty in convergence with IFRS					
9	Fair value measurement being highly subjective obstructs in execution of IFRS					
10	It will creates an adjustment period filled with tumult					
Challenges of adopting & implementing of IFRS for Audit Corporation						
11	Problem with the IT system in handling the transition to IFRS					
12	Quality of audit report will be compromised due to insufficient or inadequate practical knowledge of IFRS implementation					
13	Lack of competent technology or software to run IFRS data FOR Audit					
14	Lack or insufficiency of professional evaluators increases the over statement or under statement of financial position					
15	Inadequate training facilities unaffordable cost is road block to IFRS					
16	The differences are rooted in fundamental definitions and concept					
17	IFRS pose a conceptual challenge					

3. Stakeholders involvement in adopting & implementing of IFRS

Ser. No.	Statement	Scale				
		1	2	3	4	5
MOFED involvement in adopting & implementing of IFRS						
1	Investors can compare a peer Industry financial statement					
2	More timely/real time financial statement					
3	Better ability to attract and monitor listings by foreign companies					
4	Adoption of IFRS enhance transparency of companies through better reporting					
5	IFRS adoption improves regulation oversight and enforcement					
6	IFRS provides greater credibility and improved economic prospects for the accounting profession					
7	It Improves regulatory oversight and enforcement					
8	Better access to capital, including from foreign sources					
Investors involvement in adopting & implementing of IFRS						
9	More confidence in information presented					
10	Better understanding of risk and return					
11	Better information for decision making financial reports because of explanatory disclosures					
12	Save time in analyzing					
15	It provides better reporting and information on new and different aspects of the business					
16	It Enhance competitiveness					
17	IFRS improves management information for decision making					
18	The amount of contact with external peer groups and IFRS experts					
19	It facilitates mergers and acquisitions					

Please provide any additional observations or comments with respect to the IFRS adoption and implementation result effectiveness in ethio-telecom.

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____