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Extent of Commitment of Accountants in Lebanon to Implementing the International Accounting Standard 16: Property, Plant and Equipment (An Empirical Study)

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Abstract

Tangible fixed assets are fundamental to the organization; thus, the International Accounting Standards Board (IASB) issued International Accounting Standard 16, (IAS 16—Property, Land and Equipment), which includes regulations that organize the recognition, measurement and disclosure of those assets. Later versions of the standard improved and updated the standard. The research aims at studying the extent of commitment of Lebanese accountants to implementing IAS 16. The researchers used a descriptive, analytical approach to tackle their topic. A well-structured five-point Likert style questionnaire was used to collect data. The samples were all members of the Lebanese Association of Certified Public Accountants (LACPA). The results of the study showed a difference of statistical significance within the opinions of the study samples about the extent of commitment of LACPA members to applying IAS 16. The research reached that accountants in Lebanon apply only some items of IAS 16, which the research tool specified. The researchers had some recommendations based on the findings of the research.

Keywords

financial statements, disclosure, measurement, fixed assets, accounting standards

1. Introduction

Tangible fixed assets are considered the most important group in the assets of a lot of industrial and service organizations (Kieso, Weygandt, & Warfield, 2015). Due to the importance of these assets, the International Accounting Standards Board (IASB) issued International Accounting Standard 16 (IAS 16—Property, Land and Equipment), in 1982 which controls regulations of recognizing, disclosing and measuring them and which ISAB re-issued an improved version in 2003 (Flower, J., 2004). Despite its importance, there is a difference in commitment to this standard among accountants; in addition to the extent of its conformity with national regulations, which varies from one country to another. For example, in Jordan, the public, industrial corporate companies conform to IAS 16 (Siyam & Sarie, 2007) and Royal Jordanian also abides by its rules (Abo Aisha, 2015). However, in Syrian public facilities of economic nature, the basics of depreciation of fixed assets do not comply with what IAS 16 states (Al-Rida, 2004). In Gaza Strip, industrial corporate companies were not committed to the application of IAS 16 until 2008 (Ghayada, 2008). Yamani companies do not regard compliance with the International Accounting Standards in their priorities; instead, they apply whatever is convenient relative to measurement and disclosure of fixed assets, even if it does not comply with International Accounting Standards (Tamimi, 2010). A study conducted in Algeria concluded that corporate companies in Saiida State, which was the place of the study, do not comply with IAS 16 (Yousof, 2013). In Nigeria, agricultural companies that are registered in the stock market do not comply with requirements of disclosure according to IAS 16 (Siyanbola, Musa, & Wula, 2014). In Bangladesh, a study uncovered good compliance of Bengali companies with IAS 16 regarding fixed assets accounting (Siddiqua & Hasan, 2010). While in Brazil, there is a low or fair indication when comparing financial statements of Brazilian companies regarding disclosure of fixed assets between before and after the conformity of national regulations with IAS (Lemes, de Souza Costa, & Martins, 2015). Meanwhile, Greek companies tend to adopt IAS 16, but it is more inclined to measure these assets using the cost method, not a revaluation. In this regard, it appears that companies that adopt cost method are more compliant to the requirements of disclosure than companies which chose revaluation module (Ballas, Panagiotou, & Tzovas, 2014).

2. Literature Review

2.1 Recognition of Tangible Fixed Assets

Tangible fixed assets are tangible items that a unit keeps to be used in producing goods, offering services or renting to others for administrative purposes. They are expected to be used for more than one period (IAS 16.6). The cost of a tangible item should be recognized as a fixed asset when it is possible that future economic benefits related to that asset are expected to flow to the unit; it is possible to measure the cost of the item, documented through IAS 16.6. However, based on the importance record, fixed assets whose cost does not exceed a specific value in the stock (Ernst & Young, 2017), which is what paragraph IAS 16.8 declared when it mentioned replacement parts.

2.2 Measurement of Tangible Fixed Assets at Initial Recognition

A tangible fixed asset item that is qualified for recognition as an asset should be measured. If the tangible fixed asset item was purchased from outside the unit, cost of the purchase consists of the price of the item including import fees and irrecoverable purchase price after deduction of trade discount and other discounts; in addition to costs that can be directly allocated in order to get the asset to where its services can be benefited from and in a good, operational condition which meets the management's desires. The cost of the asset also includes initial valuation of disassembly cost, removal of the item and rearranging its site to the original condition in the first place, as a commitment that the unit bears whether at acquisition of the asset or as a result of using the unit within a specific period for goals other than stock production during that period (IAS 16.16). If the asset was an internal product, the principles relative to cost production do not differ (IAS 16. 22), and the rules of production cost recognition are the same as those relative to marketable goods. All costs taken to finish an internally generated asset is added to the principally recognized value of the cost; it is subject to only one restriction, costs should not exceed the recoverable value of this asset. If the value is exceeded, the additional value is considered an expenditure for the period. Examples of expenditure that forms costs of tangible fixed assets include the cost of preparing the site, handling and delivery costs, assembly and installation costs, cost of testing whether or not the asset operates as it should and professional fees (IAS 16.17). Examples of costs which are excluded from the entry of fixed asset costs include opening new credit facilities, costs of introducing new product or service which does not include costs of advertisements and promotional activities, costs of working at a new site or doing business with a new class of clients—which includes cost of training employees, administrative expenditure and elements of general overhead costs (IAS 16.19). Whether the tangible fixed asset was purchased out of the unit or internally, recognition of the costs in the book value of the asset stops when the asset is at the proper site and condition to function as the management desires (Epstein & Jermakowicz, 2017).

2.3 Subsequent Costs

The costs taken by a unit after purchasing or producing non-current assets, such as maintenance and improvements, may lead to an adjustment in the book value of an asset or they can be considered as expenditure in the current period according to reality and circumstances (Epstein & Jermakowicz, 2017).

The general rule is that costs that are capitalized are probably the reason behind getting future economic benefits for the unit in addition to benefits originally expected from the asset. For instance, capitalizing the modifications made to extend the useful life—compared to the years or number of production units, or to increase power—as compared to the number of outputs per hour. Similarly, expenditure which leads to improvement in the quality of outputs or to decrease costs of other inputs is liable to be capitalized (Epstein & Jermakowicz, 2015).

2.4 Depreciation of Tangible Fixed Assets

Depreciation is the systematic allocation for the value of a fixed asset liable to depreciation over its useful life which can be the period during which the asset is available to be used by a unit, a number of production units, or a number of similar units which the unit expects to gain from the asset (IAS 16.6). An asset's useful life is affected by the unit's policy on maintaining its assets, speed of technological change and the market appeal of the asset's products (Deloitte, 2017).

The depreciable value of any tangible or intangible fixed asset is the cost of the asset or another cost which replaced that cost minus the residual cost—which is the value that the unit expects to presently get as a result of disposal of the asset if it is in the expected condition and expected life it should be at the end of its useful life, from which costs of disposal is deducted (IAS 16.6). Oftentimes, the residual value is insignificant and is often neglected in practice. Contrarily, it can be high enough for depreciation to be considered (IAS 16.53).

Depreciation begins when the asset is available for use; that is, in a place and a condition that allows it to operate as the management sees fit. Depreciation stops at the date the asset is classified as an asset held for sale, or when it is within a disposal group held for sale according to IFRS Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" or when the asset is derecognized, whichever happens first (IAS 16.55). Depreciation of the asset continues even if it is put out of use temporarily (Jermakowicz & Burton, 2015).

IAS 16 does not impose a specific manner for depreciation; it is satisfactory that the procedure followed reflects the unit's consumption of the projected economic benefits from the asset. In this case, a number of procedures can be adopted (IAS 16.60). The standard mentions the straight-line method, the declining balance method and the unit production method (IAS 16.62). If the recorded amount of money of the asset is allocated over a specific period of time, this period should be a time of usage for the unit, not the material life of the asset. Depreciation methods employed on fixed assets should be reviewed at least by the end of every fiscal year. In case there is a considerable change in the manner of consuming economic benefits from these assets, or it became evident that the present life expectancy is greater or less than what was believed earlier, the depreciation method should be changed to reflect that change (IAS 16.61).

When the assets consist of many elements that are distinct in nature such as a building that has machinery and structures, it is convenient to record each constituent in an independent entry to facilitate its depreciation over different periods (IAS 16.44). The projected useful life and the depreciation method of a significant part of a fixed asset can be similar to the projected useful life and the depreciation method of another significant part of the same item. These parts can be grouped together to determine the depreciation charge (IAS 16.45). However, this partiality remains insignificant relative to presenting the entry in the financial position and depreciating it in the profit and loss statement (Christian & Lüdenbach, 2013).

2.5 Revaluation of Fixed Assets

IAS 16 leaves the choice open for an entity in adopting the cost model or the revaluation model as an accounting policy (IAS 16.29). It presented different alternatives for revaluation of a tangible fixed asset, whose fair value is difficult to measure in an active market, including replacement value after depreciation or using income. If the organization adopted revaluation, the fixed assets item shows the revaluation sum which represents fair value at the date of revaluation minus any subsequent accumulated depreciation and any subsequent accumulated losses in the benefits of assets (IAS 16.31).

When an item of the fixed assets is revaluated, all items of the group to which this item belongs should be revaluated simultaneously (like land and buildings for example) to avoid disclosing items of the one group valuated on different bases (IAS 16.36). When the book value of an asset increases as a result of revaluation, the increase should be recognized as another comprehensive income and added to the owner's equity (IAS 16.39). Updating revaluation depends on the extent of change in the fair value of the fixed assets being revaluated, and it may be enough to revaluate every 3 to 5 years (IAS 16.34). In case there is a subsequent decrease in the revaluation value, this decrease should be deducted directly from the revaluation surplus relative to the asset and, at most, the surplus-value of that same asset (IAS 16.40).

Revaluation surplus is considered unrecognized and unallocated gains. According to IAS 16.40, these gains can be recognized altogether when disposing of the revaluated asset by moving the revaluation surplus to retained earnings. Gradual recognition can be done within the remaining time of the revaluated asset's useful life by annually transforming to the retained earnings an amount equal to the difference between depreciation calculated on the book value of an asset after revaluation and depreciation calculated on the original cost of that same asset. Nothing forbids leaving the difference of revaluation in the surplus account and keeping it intact (Alexandar et al., 2017).

2.6 Disposal of Non-Current Assets

Disposal of an asset is done according to conceptual IASB when the asset is no longer controlled by the organization (Maynard, 2017). In this case, the tangible fixed asset should be disposed of from the financial position statement if it is disposed of or retired entirely from service where there is no projected economic benefit from selling it (IAS 16. 67). Gains or losses upon disposal of the asset should be derecognized in the gain and loss statement (IAS 16.68).

3. Importance of the Research

Outputs of the accounting systems in business organizations represent the outputs of important decisions that face international investments and directs inflows of capital among nations. Since accountants all over the world use various—and sometimes unharmonious—accounting basics, rules, and policies, the information included in financial statements would be contradictory and incomparable, which render it useless for making investment decisions. Thus arises the importance of the research in helping accountants in Lebanon know the items of the IAS 16 that they do not apply so that they move

to the full application of the international standard and to a presentation of homogeneous financial statements and reports which supply useful, comprehensive and comparable information in accordance to international standards. Such financial statements and reports can become an appropriate basis that enables investors in Lebanon to compare available investment opportunities and take their investment decisions.

4. Research Problem

The difference in accounting practices among organizations renders the outputs of the accounting systems in these organizations incomparable and inconvenient for internal and external decision-making, such as decisions related to performance evaluation in comparison to competitive organizations or investors' decisions related to choosing the most convenient investment for their funds. Thus, the International Accounting Standards were an important step toward accounting collaboration, coordination and unity among all nations, which contributes in the progress of the accounting profession and presents better protection for investors and the public in general; in addition, it has become a central requirement for companies to be listed in the stock market, which opens local market to the international markets.

The research problem can be summed up in answering the following questions:

Do accountants in Lebanon comply with IAS 16 when recognizing and measuring tangible fixed assets?

Are there differences of statistical significance among the opinions of the sample members in compliance with the application of IAS 16 as related to years of experience the accountants have?

Are there differences of statistical significance among the opinions of the sample members in compliance with the application of IAS 16 related to accountants' academic major?

5. Research Hypothesis

Based on the above questions, the researchers have the following hypotheses to prove or disprove.

H_1 Accountants in Lebanon do not comply with IAS 16 when recognizing and measuring tangible fixed assets.

H_2 There are no differences of statistical significance among the opinions of the sample members in compliance with the application of IAS 16 as related to years of experience the accountants have.

H_3 There are no differences of statistical significance among the opinions of the sample members in compliance with the application of IAS 16 related to accountants' academic major.

6. Limitations of the Research

The research entailed a specific aspect of International Accounting Standards (recognition and measurement of tangible fixed assets) which can be a constituent of other present or future researches which might include other aspects of International Accounting Standards.

The field study included an opinion poll of certified practitioners during the year 2019 in Beirut and its suburbs in particular since business activities are centered in the capital and the suburbs where the big companies have their headquarters.

7. Procedures and Methods

7.1 Population and Sample Selection

The population of the study is represented by the certified public accountants in Lebanon whereas the sample was randomly chosen among practitioners of the profession. The researchers distributed 200 questionnaires among practitioners, 117 were retrieved of which 112 were valid for testing their opinions about the topic of the research.

Table 1. Characteristics of the Sample according to Demographic Information

Variable	Category	Frequency	Percent
Academic Qualification	Bachelor	75	67.0%
	Masters	28	25.0%
	Ph.D.	9	8.0%
Major	Accounting	86	76.8%
	Economics	4	3.6%
	Business Administration	18	16.1%
	Banking and Finance	4	3.6%
Years of Experience	Less than 5 years	16	14.3%
	5 to less than 10 years	14	12.5%
	10 to less than 15 years	58	51.8%
	15 years and more	24	21.4%
Total		112	100.0%

It is evident from Table 1 that the majority (67%) of the selected sample has a Bachelor's degree. The researchers believe that the reason behind this is that the majority of certified accountants start practicing the profession as soon as they graduate. The table also shows that the majority of the sample (76.8%) have studied Accounting major which is represented in the 76.8 percentage, which is the most relevant major to the research. Moreover, the table shows that more than half the sample (51.8%) have

an experience 10 to less than 15 years, which denotes that most of the sample members have the proper experience and their ability to give more objective opinion.

7.2 Instrumentation

Following the literature review and discussions with university colleagues in accounting and interviews conducted with members of the Lebanese Association of Certified Public Accountants in addition to the researchers' personal experience, the researchers constructed a Likert Style five-point scale and asked the sample to respond to 26 items in the questionnaire. The scale ranges as follows:

Table 2. Correct Tool of the Study

Answer	Always	Often	Neutral	Rarely	Never
Degree	5	4	3	2	**1**

Findings of the current study show reliability in the data collected through the study tool (questionnaire), having Cronbach's Alpha as shown in Table 3 below:

Table 3. The Value of Cronbach's Alpha

N of Items	Cronbach's Alpha Based on Standardized Items	Cronbach's Alpha
26	0.769	0.771

8. Data Analysis and Discussion

Since the quintet Likert Scale was used in designing the tool of the study, the research adopts the standard illustrated in Table 4 which follows to judge the inclination of each item when using the quintet Likert Scale depending mainly on the mean value and relative weight to determine the extent of consent to the items and domains of the questionnaire.

Table 4. The Scale Used in the Study to the Mean and Relative Weight

Mean	Relative Weight	Level	Extent of Agreement
1 to less than 1.80	20% to less than 36%	Never	Strongly Disagree
1.80 to less than 2.60	36% to less than 52%	Rarely	Disagree
2.60 to less than 3.40	52% to less than 68%	Neutral	Neutral
3.40 to less than 4.20	68% to less than 84%	Often	Agree
More than 4.20	More than 84%	Always	Strongly Agree

This gives statistical significance that averages which are less than 1.8 show very low consent to the item or the domain as a whole, and averages ranging between 1.80 and 2.59 show low consent to the

item or the domain as a whole. Whereas averages between 2.60 and 3.39 indicate medium consent of the members of the sample to the item or the domain as a whole. Averages between 3.40 and 4.19 show high consent to the item or the domain and averages higher than 4.20 show very high consent to the item or the domain as a whole.

To measure the extent of the commitment of accountants in Lebanon to implementing the international standard 16 property, plant and equipment, results have been reached as shown in Table 5.

Table 5. The Extent of the Commitment of Accountants in Lebanon to Implementing the International Standard 16, Property, Plant and Equipment

No.	Items	Distribution of Sample's Answers					Mean	Std. Dev.	Relative weight	Answer	Rank
		Always	Often	Neutral	Rarely	Never					
1	The cost of an item of property, plant, and equipment shall be recognized if it is probable that future economic benefits associated with it will flow to the entity.	50%	22%	3%	5%	20%	3.8	1.5	75%	Agree	2
2	An item of property, plant, and equipment that qualifies for recognition as an asset shall be measured at its historical cost.	18%	13%	5%	27%	37%	2.5	1.6	50%	Disagree	18
3	If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognized as interest over the period of credit.	11%	4%	5%	32%	49%	2.0	1.2	40 %	Disagree	24
4	The cost of property, plant and equipment is its purchase price after deducting trade discounts and rebates.	39%	22%	6%	19%	14%	3.5	1.5	71%	Agree	6
5	Directly attributable costs to the asset acquired are recognized.	35%	26%	5%	20%	14%	3.5	1.5	70%	Agree	6
6	Indirectly attributable costs to the asset acquired are not recognized.	15%	19%	4%	28%	34%	2.5	1.5	51%	Disagree	16
7	Cost of testing whether the acquired asset is functioning properly is recognized.	13%	5%	4%	27%	52%	2.0	0.9	41%	Disagree	24

8	The cost of constructing an asset for sale is usually the same as the cost of self-constructed assets for internal use.	41%	21%	5%	22%	11%	3.6	1.2	72%	Agree	3
9	Administrative expenses are excluded unless they are directly related to the acquisition cost or costs necessary to make the asset usable for its intended purpose.	14%	19%	5%	30%	32%	2.5	0.9	51%	Disagree	9
10	Other general expenses are excluded unless they are directly related to the acquisition cost or costs necessary to make the asset usable for its intended purpose.	11%	26%	5%	23%	34%	2.5	1.4	51%	Disagree	13
11	Costs directly attributable to make the asset usable for its intended purpose are recognized.	11%	26%	5%	23%	34%	2.5	1.4	51%	Disagree	13
12	Costs indirectly attributable to make the asset usable for its intended purpose are recognized.	8%	19%	7%	28%	37%	2.3	0.9	46%	Disagree	19
13	If subsequent expenditure increased the useful life of the asset acquired, it can be capitalized.	16%	12%	7%	31%	34%	2.5	0.9	49%	Disagree	9
14	If subsequent expenditure improved the production capacity of the asset acquired, it can be capitalized.	40%	32%	8%	8%	12%	3.8	1.3	76%	Agree	1
15	If subsequent expenditure enhanced the quality of units or services produced from the asset, it can be capitalized.	11%	7%	10%	30%	43%	2.2	0.9	43%	Disagree	21
16	If subsequent expenditure caused a significant decrease of cost of production from the asset, it can be capitalized.	3%	2%	9%	25%	62%	1.6	1.3	32%	Strongly	26
17	The depreciable amount of an asset shall be allocated on a systematic basis over its useful life after deducting the residual value.	33%	23%	16%	12%	16%	3.5	1.5	69%	Agree	6
18	Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.	6%	13%	23%	18%	39%	2.3	1.2	45%	Disagree	20

19	A significant part of an item of property, plant, and equipment may have a useful life and a depreciation method that is the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be grouped in determining the depreciation charge.	15%	13%	14%	27%	31%	2.5	1.3	51%	Disagree	11
20	If there has been a change in the expected pattern of the future economic benefits embodied in the asset, the depreciation method shall be changed to reflect the changed pattern.	14%	15%	15%	16%	39%	2.5	1.4	50%	Disagree	13
21	If there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the depreciation method shall be changed to reflect the changed pattern.	13%	6%	6%	26%	50%	2.1	0.9	42%	Disagree	22
22	If an item of property, plant, and equipment is revalued, the entire class (grouping of assets of a similar nature and use in an entity's operations of property, plant, and equipment) to which that asset belongs shall be revalued.	31%	27%	18%	13%	11%	3.5	1.1	71%	Agree	4
23	Assets whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation.	16%	14%	13%	22%	35%	2.5	1.3	51%	Disagree	11
24	When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required.	9%	10%	8%	27%	45%	2.1	1.3	42%	Disagree	23
25	If an asset's carrying amount is decreased as a result of a revaluation, revaluation surplus is reduced.	38%	16%	16%	15%	15%	3.5	1.4	69%	Agree	5
26	Impairment of revaluated fixed asset are considered expenditure if there is no revaluation surplus related to that asset.	3%	23%	25%	17%	32%	2.5	1.4	50%	Disagree	13

As the Table 5 illustrates the extent of commitment of accountants in Lebanon to implementing the international standard 16 property, the results indicate that the phrase (item 14) "If subsequent

expenditure improved the production capacity of the asset acquired, it can be capitalized" received the highest approval score with relative weight reached 76%, while the phrase (item 16) "If subsequent expenditure caused a significant decrease of cost of production from the asset, it can be capitalized" received the lowest approval score with relative weight of 32%. The items to which the sample responded the commitment of accountants in Lebanon to implementing the international standard 16 as "Agree" were 1, 4, 5, 8, 14, 17, 22, and 25. The mean for these items was 3.8, 3.5, 3.5, 3.6, 3.8, 3.5, 3.5, and 3.5 respectively; while the relative weight for these items was 75%, 71%, 70%, 72%, 76%, 69%, 71%, and 69% respectively. On the other hand, the sample responded to all the other items as "Disagree". Consequently, based on the responses of the sample, accountants in Lebanon are partially committed to implementing the International Standard 16. The reason behind this may be that the sample that was chosen includes only a small number of auditors who audit for companies that are listed in the stock market and for banks, which completely compel companies to comply with international standards.

9. Testing and Discussing Hypotheses

The researchers tested the hypotheses using the One-Sample T-Test, in addition to the Analysis of Variance Test (ANOVA).

9.1 The First Hypothesis States That Accountants in Lebanon Do Not Comply with IAS 16 When Recognizing and Measuring Tangible Fixed Assets

After analyzing the items of the questionnaire to prove or negate the hypothesis, the following results were reached (Table 6):

Table 6. Mean and Standard Deviation for All Items Relative to the First Hypothesis

	Number	Mean	Std. Dev.	Std. Error Mean
H_1	112	2.70	0.642	0.126

Table 7. One-Sample T-Test Results for the First Hypothesis

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
H_1	2.352	111	0.027	0.296	0.555	0.037

It is evident from the above Table 7, One-Sample T-Test, that the value of statistical significance is: 0.027, which is less than the level of significance ($\alpha = 0.05$). This leads to proving the first hypothesis

which states that accountants in Lebanon do not comply with IAS 16 when recognizing and measuring tangible fixed assets.

9.2 The Second Hypothesis States That There Are No Differences of Statistical Significance among the Opinions of the Sample Members in Compliance with the Application of IAS 16 as Related to Years of Experience the Accountants Have

After analyzing the items of the questionnaire to prove or negate the hypothesis, the following results were reached (Table 8):

Table 8. Mean and Standard Deviation for All Items Relative to the Second Hypothesis

	Number	Mean	Std. Deviation
Less than 5	16	3.49	0.706
5 to less than 10	58	3.96	0.526
10 to less than 15	14	3.36	0.994
15 and greater	24	2.58	0.590
Total	112	3.52	0.832

Results of the One-Way ANOVA for differences between the mean of answers relative to compliance with the application of IAS 16 as related to "years of experience the accountants have" are shown in (Table 9) below:

Table 9. Results of the One-Way ANOVA for Differences between the Mean of Answers Relative to Compliance with the Application of IAS 16 as Related to Years of Experience

Source of Variance	Sum of squares (SS)	df	Mean squares (MS)	F Calculated	F Tabulated	Sig.
Between Groups	32.758	3	10.919	26.745	7.89	0.000
Within Groups	44.094	108	0.408			
Total	76.852	111				

To test this hypothesis, the One-Way ANOVA test results were used, which show differences among replies of sample responses as to accountants' compliance to apply IAS 16 in relation to accountants' years of experience.

From the above table, the following can be concluded:

The value of F Calculated is 26.745, which is higher than F Tabulated (7.89), so the null hypothesis is refused at $\alpha = 0.05$ and the positive hypothesis H_1 is accepted. Consequently, there are differences of statistical significance among the sample's opinions about accountants' compliance in applying IAS 16 according to years of experience. To assure this result, the information shown in the table shows that

the significance is (0.000), which is less than (0.05); consequently, the null hypothesis is refused and the positive hypothesis is accepted.

9.3 The Third Hypothesis States That There Are No Differences of Statistical Significance among the Opinions of the Sample Members in Compliance with the Application of IAS 16 Related to Accountants' Academic Major

After analyzing the items of the questionnaire to prove or negate the hypothesis, the following results were reached:

Table 10. Mean and Standard Deviation for All Questions Relative to the Third Hypothesis

	Number	Mean	Std. Deviation
Accounting	86	3.48	0.879
Economy	4	3.01	0.424
Business Administration	18	3.68	0.634
Banking and Finance	4	4.21	0.259
Total	112	3.52	0.832

Table 11. Results of the One-Way ANOVA for Differences between the Mean of Answers Relative to Compliance with the Application of IAS 16 as Related to Accountants' Academic Major

Source of Variance	Sum of squares (SS)	df	Mean squares (MS)	F Calculated	F Tabulated	Sig.
Between Groups	3.521	3	1.174	1.729	4.85	0.165
Within Groups	73.331	108	0.679			
Total	76.852	111				

To test this hypothesis, the One-Way ANOVA test results were used, which show differences among replies of sample responses as to accountants' compliance to apply IAS 16 in relation to accountants' academic major.

From the above table, the following can be concluded:

The value of F Calculated is 1.729, which is less than the value of F Tabulated, which is 4.85. Consequently, the positive hypothesis is refused at $\alpha = 0.05$ and the null hypothesis is accepted. As a result, we conclude that:

"There are no differences of statistical significance among the opinions of the sample members in compliance with the application of IAS 16 related to accountants' academic major".

To confirm the above result, the table shows the significance is 0.165 which is greater than 0.05; thus, the positive hypothesis is refused and the null hypothesis is accepted.

10. Results and Recommendations

a. Accountants in Lebanon do not completely comply with IAS 16 when recognizing and measuring tangible fixed assets. They only comply with the following items of the standard:

- The cost of an item of property, plant, and equipment shall be recognized if it is probable that future economic benefits associated with it will flow to the entity.

–The cost of property, plant, and equipment is its purchase price after deducting trade discounts and rebates.

–Directly attributable costs to the asset acquired are recognized.

–The cost of constructing an asset for sale is usually the same as the cost of self-constructed assets for internal use.

–If subsequent expenditure improved the production capacity of the asset acquired, it can be capitalized.

–The depreciable amount of an asset shall be allocated on a systematic basis over its useful life after deducting the residual value.

- If there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the depreciation method shall be changed to reflect the changed pattern.

–If an asset's carrying amount is decreased as a result of a revaluation, the revaluation surplus is reduced.

b. There are differences of statistical significance among the opinions of the sample members in compliance with the application of IAS 16 as related to years of experience the accountants have.

c. There are no differences of statistical significance among the opinions of the sample members in compliance with the application of IAS 16 as related to accountants' academic major.

Based on the above results, and because the International Accounting Standards came to unify accounting practices all over the world to help investors and others in making decisions according to the unified basis, the researchers recommend the following:

1) Accountants in Lebanon should be compelled to implement International Accounting Standards, and organizations that do not implement them should be penalized. Thus, the accountants will be committed to implementing the IAS 16 with all its items since the study showed that there are certain items that accountants in Lebanon do not implement as shown in the results above.

2) There should be cooperation among all relevant parties to conduct training sessions about International Accounting Standards for accountants in Lebanon.

3) The board of the Lebanese Association of Certified Public Accountants (LACPA) should take a decision and suspend the membership of Certified Public Accountants who do not implement the International Accounting Standards.

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