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**THE ROLE OF CULTURE ON THE ACCOUNTING SYSTEM
OF BANGLADESH**

Master's thesis

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ABSTRACT

Bangladesh accounting developed during British colonial period. After liberation war of Bangladesh in 1971, national professional accounting body was formed. Now-a-days two accounting professional bodies are monitoring the accounting system of Bangladesh.

The aim of this thesis is to present the role of culture on the accounting system of Bangladesh. To collect the information primary data and secondary data collective methods were used.

Accounting system of Bangladesh is influenced by many internal and external factors. All the factors identified are important to influence the accounting system. To maintain IFRSs in Bangladesh adopted IFRSs as a Bangladesh financial reporting standards (BFRS). To prepare the financial report all listed companies in Bangladesh have basic requirements to follow IFRSs as BFRS. The regulating bodies in Bangladesh ensure the legal and regulatory framework for financial reporting and audit. It is compulsory for all listed companies to prepare the financial report and audit it by the authorized auditor. Culture of Bangladesh is playing an important role to influence accounting system. Bangladesh culture belongs to high community with high power distance and uncertainty avoidance culture. The culture of Bangladesh influencing the accounting rules and practices. A survey instrument was constructed and distributed to Bangladesh's accountants and accounting students. From the survey the author can conclude that the young generation prefer the professionalism. On the other hand, people still preferred uniformity, conservatism and secrecy. Overall the culture of Bangladesh is affecting the professional judgement to make ethical decision with regulation and disclosure practice which is holding up the development of accounting system.

Keywords: Accounting, Different factors, culture, accounting values, accounting rules, accounting practices.

List of Abbreviation

BAS – Bangladesh Accounting Standards

BFRS –Bangladesh Financial Reporting Standards

BIMSTEC – Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation

BSEC – Bangladesh Securities and Exchange Commission

CSE – Chittagong Stock Exchange

DSE – Dhaka Stock Exchange

GDP – Gross Domestic Product

FRC – Financial Reporting Council

GLOBE –Global Leadership and Organizational Behaviour Effectiveness

HBFC – House Building Financial Corporation

HCD – The High Court Division

IASB – International Accounting Standards Board

IASC – International Accounting Standards Committee

IASs – International Accounting Standards

IBBL – Islami Bank Bangladesh Limited

ICAB – Institute of Chartered Accountants of Bangladesh

ICMAB – Cost and Management Accountants of Bangladesh

IDF – World Bank’s Institutional Development Fund

IFRSs –International Financial Reporting Standards

NBFIs – Non-Bank Financial Institutions

NBR – National Board of Revenue

NGO – Non-Governmental Organization

PKSF – Palli Karma Sahayak Foundation

PPP – Public- Private Partnership

SAARC – The South Asian Association for Regional Cooperation

SMEs – Small and Medium-Sized Entities

RJSC – Register of Joint Stock Companies and Firms

INTRODUCTION

International financial reporting standards are used in most of the countries to maintain an accounting system in the international level. It is important to get an overview about the country if we want to know the development of accounting system. The development of accounting has been influenced by many factors and for that reasons financial accounting regulations and practices have differed across countries.

The topic of the thesis is “The role of culture on the accounting system of Bangladesh”. The author at first wants to get an idea about the accounting and development of accounting systems. The author selected this topic to know how different factors influence accounting systems and how culture plays an important role in this process.

The aim of this thesis is to find out how culture influences accounting system of Bangladesh. To fulfill the aim the author divided thesis into three parts. The first part of the thesis is about Bangladesh and how accounting system of Bangladesh has been influenced by many internal and external factors. The internal factors of Bangladesh are such as political and economic, but also influence of taxation and financial system. On the other hand there are external factors such as foreign countries who force to follow IFRSs. All identified factors are important to understand what are the main reasons to influence the accounting system.

The second part of the thesis gives an overview of Bangladesh accounting. In the second part the accounting and auditing professional bodies and their responsibilities are described. Added the accounting and auditing regulating bodies and the status of adoption of IFRSs and IASs is important. All listed companies of Bangladesh must follow IFRSs to prepare the annual financial report and it must be audited by the authorized auditor.

In the last part of the thesis the author focused on the culture to know how culture influences accounting rules and practices and affected the development of accounting system. The cultural dimensions of Bangladesh are identified by Hofstede and showed a relationship with accounting values by using Gray's framework. Gray's framework model is a way to understand the cultural impact on accounting values and practices. It explores the relationship of Hofstede cultural dimensions by four accounting values. To find out the results of Gray's framework a survey instrument was constructed and distributed to Bangladesh's accountants and accounting students. The author gives an empirical assessment to know the conditions of accounting regulation and practices.

For fulfilling the aim of the thesis the author set up following research questions:

- Do various factors influence the accounting system of Bangladesh?
- Do Bangladesh listed companies prepare the financial report by following IFRSs?
- Does culture influence the Bangladeshi accounting system?

By the end of the thesis, a reader will have understanding of Bangladesh accounting system and cultural factors influencing the system.

1. FACTORS INFLUENCING ACCOUNTING SYSTEM IN BANGLADESH

Many factors have influenced the development of accounting and for these reasons financial accounting regulations and practices have differed across countries. Accounting system of Bangladesh has influenced by political, economic, legal, tax and financial systems. The culture of a country has played also important role for example religion influenced the financial system of Bangladesh.

1.1. Bangladesh: the country of Bengal

Bangladesh, officially known as People's Republic of Bangladesh is located in South Asia. Bangladesh is surrounded by India, with a small common border with Myanmar, Nepal and Bhutan. The total land area of Bangladesh is 130,172 (Haq2017) square kilometers. Bangladesh is densely populated country and the current population of Bangladesh is 166,169,669 as of May 2018, based on the latest United Nations estimates where 36.5% of the population is urban. Bangladesh ranks number 8 in the list of countries by population. The capital city of Bangladesh is Dhaka. Bangladesh has largest (sea) port in Chittagong.

Bangladesh at first was part of India and known as East Bengal. Since 1757 it was under the British Empire rules. Since 1947 the region became as a part of state of Pakistan. East Bengal was the most populous province of 1947 Pakistani federation. According to senior World Bank officials, Pakistan practiced extensive economic discrimination against East Pakistan. In 1970s pro-independence really started and in 1971 the Bangladesh Liberation war begun. The independence of Bangladesh was declared on 26 March 1971.

“Bangladesh is a developing nation. Bangladesh ranks number 1 in gender equality, number 2 in foreign exchange earnings and number 3 in life expectancy and peacefulness based on South Asia. Bangladesh economy ranks number 46 in terms of nominal GDP (Gross Domestic Product) and 29 in term of PPP (Public- private partnership) which listed as one of the Next Eleven” (UC Berkeley... 2018). It has one of the largest textile exporters in the world and the major trading partners are the EU, the United States, China, India, Japan, Malaysia and Singapore. Bangladesh is a founding member of SAARC (The South Asian Association for Regional Cooperation), BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), the Bangladesh-China-India-Myanmar forum for regional cooperation and the Bangladesh Bhutan India Nepal initiative and the member of common wealth of nations. Also, Bangladesh has one of the largest contributions of United Nations Peacekeeping forces.

“Bangladesh establishes the largest and eastern part of the Bengal region. Bangladesh is including people of different ethnic groups and religions” (UC Berkeley... 2018). Bangladeshi people officially speak Bengali language and it is known as Bengalis, makeup 98% of the population. Bangladesh is the third largest Muslim majority nation in the world and politically dominant by Bengali Muslim.

1.2. The political and economic system

1.2.1. Political system

Bangladesh is a democratic country. It is a constitutional republic with a multi-party parliamentary democracy. Elections are held in every 5 years and all adults citizens (18 years old and over) are eligible to vote. The head of the Bangladesh government is the prime minister, who heads a council of minister (the cabinet). The head of state is the president who appoints members of the cabinet and judiciary. The prime minister is appointed by the president. In the presidency role, president has the power to dissolve the parliament. “The People’s Republic of Bangladesh gives the name of the parliament in Bengali Jatiyo Shangsad and in English House of Nation. Bangladesh Parliament consists of 350 members where 300 members from 300 territorial constituencies and one from each constituency. The rest of 50 seats are reserved for women and elected by the aforesaid elected members in accordance with law” (Bangladesh

Parliament... 2018). Bangladesh Supreme Court is the country's highest judiciary bodies where all judges even the chief justices are appointed by the Bangladesh's president.

1.2.2. Economic system

Bangladesh economy is mainly based on agriculture. Rice, jute, tea, wheat, sugarcane, tobacco are the main crops. Recently, the fisheries and livestock sectors have been playing an important role in the economy of Bangladesh. The government is offering different incentives like infrastructure, extension facilities etc. Different NGOs (Non-Governmental Organization) are also motivating by undertaking programs. The government has also made efforts to create friendly investor environment to attract foreign trade. The agriculture sector is keeping the contribution to the GDP. The 24.6 % proportion is coming from the agriculture sector to the GDP and employs over 62.3% of the work force (BHC... 2018). The agriculture goods contribute the second highest export earnings. Bangladesh climate is changing frequently which poses a threat to the country's agriculture sector particularly affecting by the flooding and drought. Government of Bangladesh is trying to expand the industrial base of the economy. Textile industry of Bangladesh is the second largest in the world. Textile industry includes knitwear and ready-made garments. Large number of garments and knitwear are exported to the United States and Europe. Garments export is the backbone of the Bangladesh's industrial sector. Bangladesh's total export receipts from the garment shipments are more than 80% (TDS... 2018). The garments industry is also playing a significant role of employment for millions of poor and uneducated Bangladeshis. Especially women are who not only getting opportunity to be part of formal workforce also become financially independent and keep on contribution in family. This sector is also playing a role in the socio-development of the economy. The key feature of Bangladesh economy is presented in the appendix 1.

Bangladesh has significant success in foreign investment especially pharmaceutical, power generation, gas production, and textile sectors. The energy sector in Bangladesh is the largest recipient of all foreign investments and the main energy resource is gas. The power generation policy in Bangladesh has been brought into operation where government has set the target of 17,500 MW power generations by 2020. Bangladesh has made some headway to improve the climate for foreign investment.

Bangladesh has different types of business organizations for doing business. The types of business organizations are given in the figure 1.

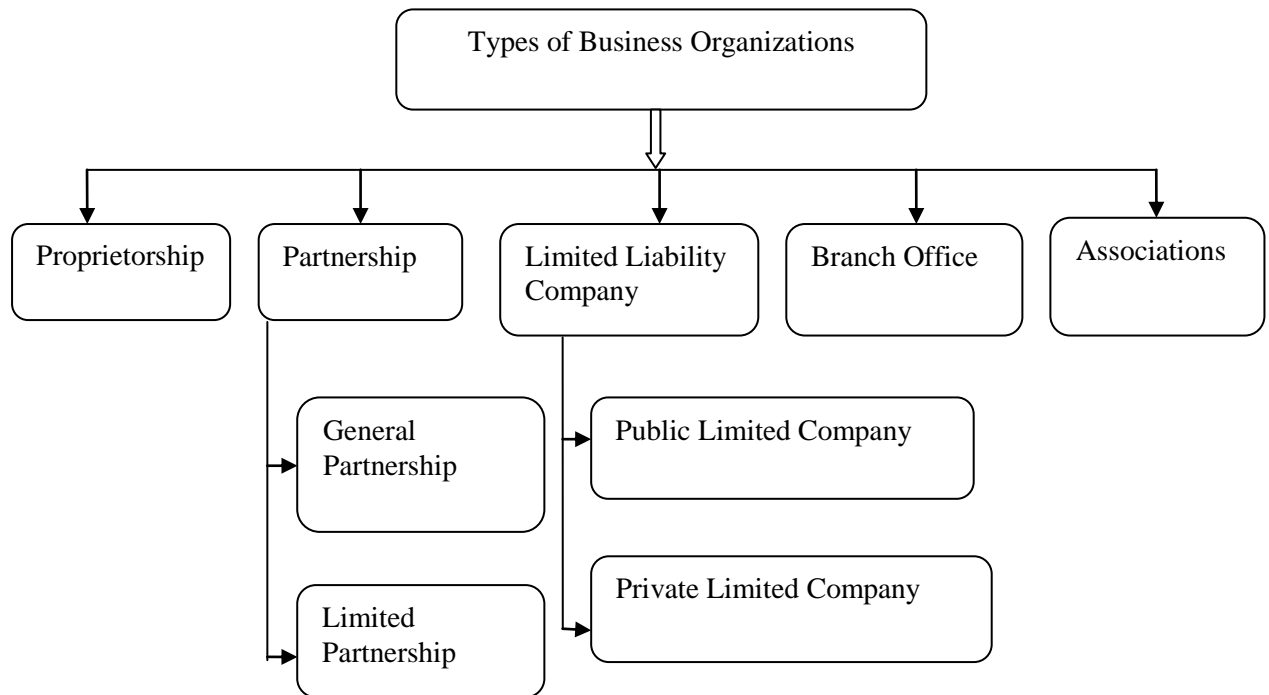


Figure 1. Types of Business Organization

Source: Composed by the author from Resource Porter/OGR Legal.

Proprietorship: Proprietorship business of Bangladesh is operated by single owner and not needed to register as a corporation. Owner works independently, and all liabilities of business is bear by owner. The business can be home health care, repair servicing, catering company, tutoring etc.

Partnership: Partnership business of Bangladesh is formed in two ways, one is general partnership and another is limited partnership. General partnership business is formed by minimum two and maximum 20 people. The liability of debt of business is unlimited. But the limited partnership business of Bangladesh contains one or more general partners where the liability of debt is limited by the contribution of each partner. For the example: Hazi Builders of Bangladesh is known as partnership business. This business was made by four friends where the profit, loss and liabilities are equal. Md. Mahabub Rahman was one of the business partners of

Hazi Builders among four friends. Today Md. Mahabub Rahman is successful business partner for his intelligence and activity.

Limited liability Company: According to Companies Act of Bangladesh, Limited liability Company is classified into two. One is public limited company and another is private limited company.

- 1) Public limited company is complied with the requirement of the Companies' Act 1994. "The number of members of the company has to minimum 7 and 3 directors but no maximum limit. There has no official requirement of paid up capital for the public limited company. The registration cost depends on the authorized capital. Transcom Beverages LTD is the example of public limited company among companies. Transcom Beverages LTD is famous for the exclusive PepsiCo Franchisee.
- 2) In private limited company the number of members starts from 2 and can exceed till 50 persons. "The registration cost of private limited company in Bangladesh can start from 5000 to 27000 Taka in Bangladeshi currency (51 to 275 euro). This cost will be arising when the company authorized capital consisting of up to 5 million in Bangladeshi currency (50,354.47 in euro)", (Sultana 2018). PRAN-RFL Group is the example of private limited company and this company is famous for the food products in Bangladesh.

Branch office: Branch office in Bangladesh is including foreign companies. Foreign companies in Bangladesh are only allowable in commercial service sectors. "The foreign investors in Bangladesh are required to remit the paid-up capital in the bank account of the company and the requirement is at minimum 50,000 USD. The cost of the company registration can vary on the authorized capital of the company. The typical cost is between 1200 to 1500 USD for the capital of 125,000 USD" (Sikder 2017). Unilever, Nestle, Berger paints, British American Tobacco are examples of the foreign companies in Bangladesh.

Associations: Associations which are known as non-profit organizations. This association is working for social related activity to improve economy condition. Aarong is one of the associations known as NGO.

Business can be formed locally or by the company incorporated in abroad but has to be registered in Bangladesh. The registration of Company is regulated by the Companies' Act 1994. To start the business in Bangladesh some procedures must be followed (see figure 2).

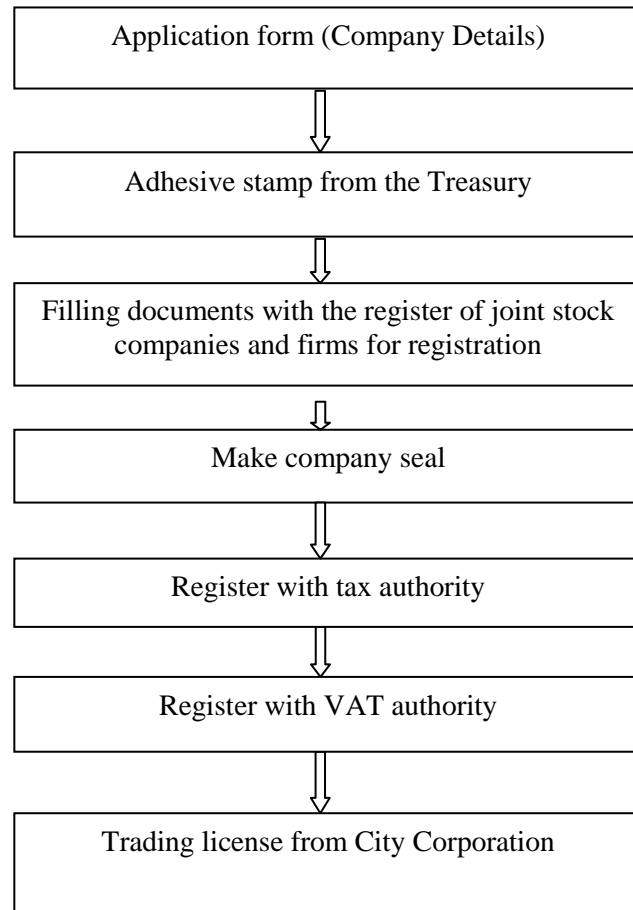


Figure 2: Steps of doing business in Bangladesh
Source: UHY... 2016.

To start a business according to UHY (2016) the first requirement is to fill up the application form with company details. It should be submitted by the company's authorized person. After that, it is necessary to buy an adhesive stamp from the treasury for the memorandum and articles of association. The third step is to fill and submit documents with the register of joint stock companies and firms (RJSC) for registration. The further step is to make a company seal and to register for tax authority & VAT authority. The final step is to take a license from the city corporation by obtaining some required documents.

1.3.The legal and taxation system

1.3.1. The Legal system

Legal system of Bangladesh is common law based on jurisdiction. Bangladesh has several laws such as panel code, Bengal civil and criminal procedure codes, the law of evidence, contract and company law etc. Family laws such as laws on marriage, divorce are based on religious scripts.

Bangladesh legal system is based on written constitution. Laws often take statutory form which are enacted by the legislature and interpreted by the Supreme Court. As a common law country, Supreme court has the power not only to interpret the laws passed by the parliament also it can declare them null and void and enforce fundamental rights of the citizens. The Supreme Court of Bangladesh has two divisions (Islam 2010):

1. Appellate division, the highest court of appeal has the jurisdiction to hear and determine the appeal from the judgment, decrees, order and sentences made by the high court division.
2. The high court division (HCD) has appellate jurisdiction from the lower courts. HCD can also exercise the power of original jurisdiction in certain cases such as admiralty matters, company matters, and Writ jurisdiction.

Commercial law of Bangladesh is passed by the parliament on the basis of the English law. Especially the Company law, it received the assents of the president of the People's Republic of Bangladesh on 11 September 1994 (Hossain 2005). Before it was according the Indian company law which was preliminary based on English Company law. In Bangladesh every proposal or making a law is passed by the parliament. According to Commercial law of Bangladesh, the business owners have to follow the specific Company law and have to present the financial statements by the following accounting standards. So typically, the commercial law of Bangladesh is an important factor for the accounting which is regulating the behavior of all commercial organizations including the regulation of accounting.

1.3.2. Tax system

The tax system of Bangladesh is maintained by the National Board of Revenue (NBR). NBR is the central authority for tax administration and is monitored by the Internal Resources Divisions of the Ministry of Finance of Bangladesh. The tax GDP ratio of Bangladesh is very low comparing with neighboring countries (for example India). Also, among developing countries for example Afghanistan, Albania, Argentina the Bangladesh tax GDP is lowest. 80% of tax revenue is coming from the personal income tax and corporate tax, value added tax, customs duty.

For individual's resident of Bangladesh tax is imposed on their worldwide income annually. For the most types of income for individual tax is rated from 0 to 30%. The corporate tax rate in Bangladesh (NBR... 2018):

- Public Traded Company – 25%
- Non-Public Traded Company – 35%
- Bank, Insurance and Financial Company – 40%
- Merchant Bank – 37.5%
- Cigarette Manufacturing Company – 45%
- Mobile Phone Operator Company – 45%
- Publicly Traded Mobile Company – 40%

For the excess profit exceeding companies' tax rate is applicable differently and the sales tax rate in Bangladesh is 15% (IECONOMICS... 2018).

Tax is calculated for the non-resident individuals and companies in Bangladesh based on their income source. Tax is applicable if the source of income exceeds in Bangladesh. Tax is calculating for individual when a person is staying in Bangladesh for 182 days or more than 90 days in a tax year. Non-resident individual's tax is rated 25% from the income which is earned in Bangladesh but for the non-resident technicians in Bangladesh tax is calculated in different way. For other taxes also have some laws including value added tax, turnover tax, exercise taxes, stamp tax etc.

1.4. Financial system of Bangladesh

The Bangladesh financial system is consisting of the three broad fragmented sectors and has been categorized with the degree of regulation. The formal sector constitutes Banks, Insurance companies, Non-Bank financial institutions, Capital market and Micro finance institutions. The semi-formal sector mainly constitutes by the specialized financial institutions and Non-Governmental organizations. The informal sector includes private intermediaries. Brief structure of financial system is presented in figure 3 and figure 4.

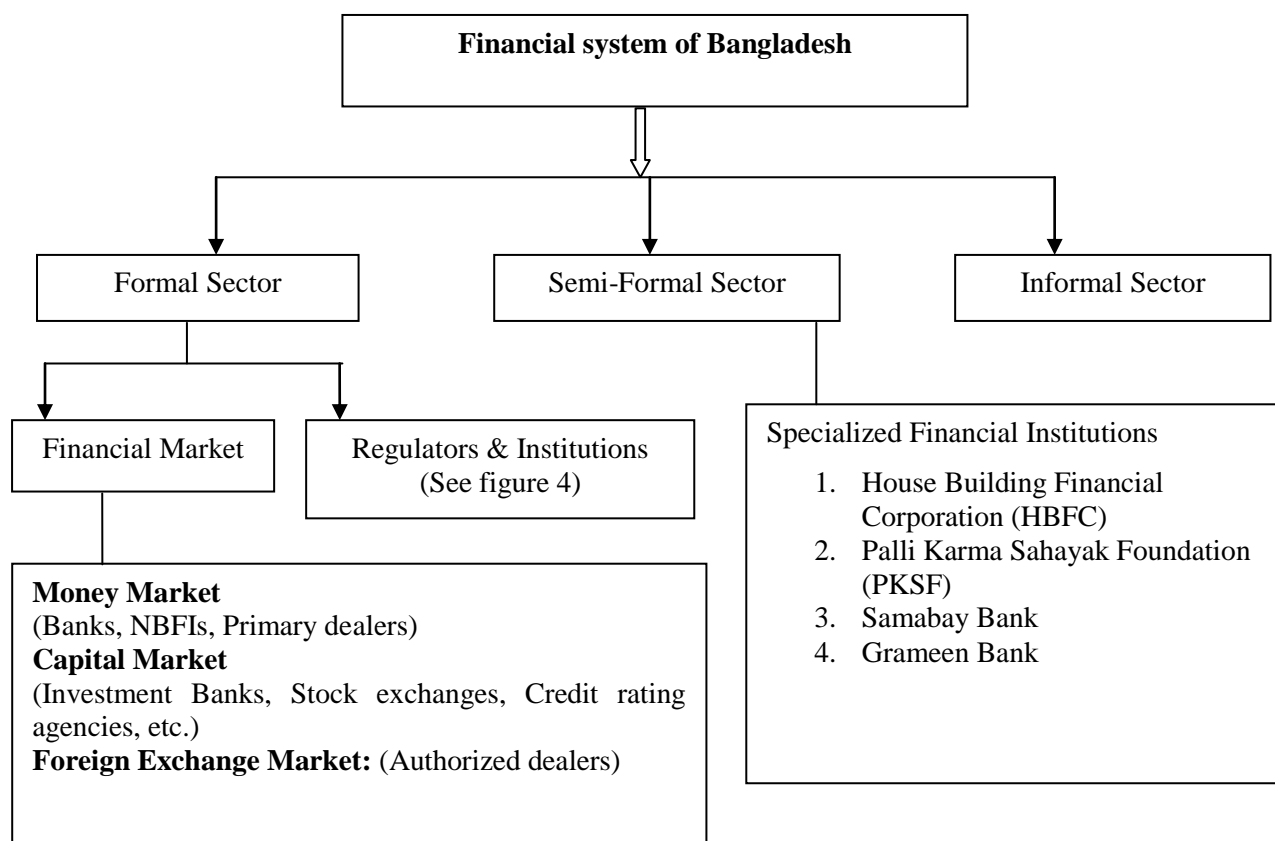


Figure 3: Financial system of Bangladesh.
Source: Bangladesh Bank... 2018.

Formal sector is divided into two sectors under financial system of Bangladesh. The first one is financial marketing and the second one is regulator & institutions. The regulators and institutions are given in figure 4.

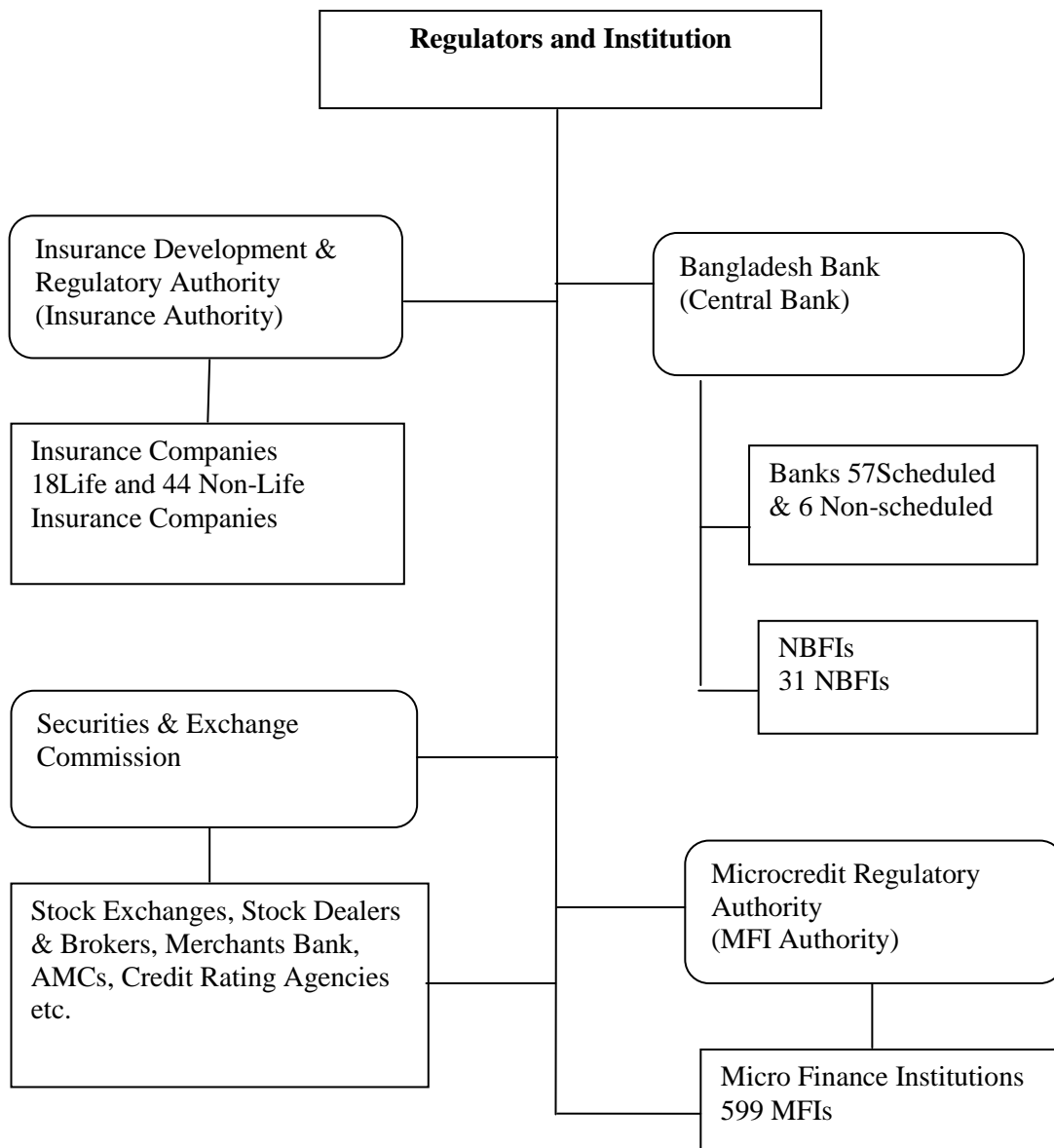


Figure 4: Regulators and Institutions
Source: Bangladesh Bank... 2018.

The financial system of Bangladesh has two sectors. The first sector is the banking sector and the other Bangladesh Securities and Exchange Commission (BSEC), what is the regulatory body for stock market related activities.

Bangladesh Bank is the central bank of Bangladesh which was established on December 16, 1971. The main functions of Bangladesh Bank under the section 7A of Bangladesh Bank order, 1972 are (Bangladesh Bank... 2018):

1. To formulate and implement monetary policy;
2. To formulate and implement intervention policies in the foreign exchange market;
3. To give advice to the governmental on the interaction of monetary policy with fiscal and exchange rate policy, on the impact of various policy measures on the economy and to propose legislative measures it considers necessary or appropriate to attain its objectives and performs its functions;
4. To hold and manage the official foreign reserves of Bangladesh;
5. To promote, regulate and ensure a secure and efficient payment system, including the issue of bank notes;
6. To regulate and supervise banking companies and financial institutions.

Bangladesh Bank manages foreign exchange reserves, has authority to supervise and regulate other banks and non-bank financial institutions. Banks in Bangladesh are primarily of two types: Scheduled Banks and Non-Scheduled Banks. Under Bangladesh Bank operate 57 scheduled banks, 6 non-scheduled banks and 31 NBFIs (non-bank financial institutions). The 57 scheduled banks in Bangladesh is fully controlled and supervised by the Bangladesh Bank. The scheduled banks are classified with the six state owned commercial banks a) Sonali Bank, b) Agrani Bank, c) Rupali Bank, d) Janata Bank, e) Pubali Bank, f) Bangladesh Development Bank; have two specialized development banks (objectives of establishing of two banks for agriculture or industrial development), 40 private commercial banks: 32 conventional private commercial banks and 8 Islamic Shariah based, 9 foreign commercial banks (Bangladesh Bank... 2018). Now-a-days private banks activity and position is quit better comparing public banks. In the private banks the number of share of the banking deposits and loans more than public banks.

Modern financial and banking system is based on the interest-oriented investment and earning. Bangladesh is Muslim majority country where 90% people are Muslims. Many Muslims of Bangladesh believed in the prohibition of interest. Some banking industry in Bangladesh for example Islami Bank Bangladesh Limited (IBBL), Al-Arafah Islami Bank Ltd, Shahjalal Islami Bank Ltd believe in the prohibition of interest in the Shari"ah. Shari"ah is an Islamic law which constitutes a system of duties and religious belief of Muslim. Based on belief Bangladesh Islamic

banking industry is not using modern financial banking system or restricted to routine work related to their employment. Bangladesh has mainly 8 Islamic banks (Mannan 2015) operating by the Islamic committee rules. Among seven of banks some Islamic banks are operating banking system without interest and some are continuing with low interest. Also, Islamic banks are not investing money in any auspicious sector even they have financial advantage.

BSEC is the regulator of the capital market and it's forming by two stocks exchange: a) The Dhaka Stock Exchange (DSE) and b) The Chittagong Stock Exchange (CSE). DSE established in 1954 as a public limited company and CSE established in 1995. Stock debtor or stock brokers are bound to be a member of stock exchange. Presently 572 members of companies are registered under DSE: 90 financial institutions, 133 industrial companies, 8 debentures, 54 service companies, 18 agriculture companies, 47 insurance companies, 222 corporate and treasury bonds (DSE... 2018). Stock exchange mainly protects the interest of securities investors, develop securities market and ensure the compliance with securities laws. In Stock exchange, companies are fully listed under BSEC. Stock exchange is playing a role in the secondary market and representing only a small proportion of total business of Bangladesh.

1.5. Influences

Accounting values and practices differ by the different countries, different culture and by different religion. Some organizations are organized with Islamic belief for example Jamaat-e-Islami Hind (India), Dcendar Anjuman (India), Council of Ex-Muslims of Britain (United Kingdom) and these organizations draw the system of organization based on faith.

Historically, Bangladesh accounting developed during British colonial period. Now-a-days Bangladesh accounting is monitored by the Bangladesh accounting professional body. But still Bangladesh accounting is influenced by Europe and UK. Bangladesh is booming in textile industry. Most of the garments products are exported to Europe and UK. So, to fulfill the requirements industry is forced to follow International financial reporting standards (IFRSs) same as their trading counterparts. To maintain IFRSs in Bangladesh adopted IFRSs as a Bangladesh financial reporting standards (BFRS) and every companies should follow but still not following properly as should. On the other hands, in Bangladesh there is a lot of foreign donor agency who provided foreign aid, so they are also forcing to adopt IFRSs in the country.

From the overall overview the author of current thesis can conclude that accounting system of Bangladesh is influenced by many internal and external factors. All the factors identified are important to influence the accounting system. Political and economic system also influences the role of accounting. The taxation and financing system in Bangladesh tends to influence the demand for accounting information by the regulations and financial reporting standards. Industry in Bangladesh is forced by foreign companies to maintain IFRSs, in terms the accounting system influenced to adopt the specific measurement rules particularly financial reporting standards.

2. OVERVIEW OF BANGLADESH ACCOUNTING

2.1. History of Accounting Profession in Bangladesh

A business organization starts with an aim to generate profit from its operating activities either by selling goods or rendering services. Not only to calculate profit of a business but also to attract investors, bankers, suppliers, customers and related stakeholders an organization must prepare and disseminate financial information. It is necessary to disclose all relevant financial information required to make decisions. Financial statements are one of the vital documents prepared by a company using accounting system. In general, it represents overall financial scenario of the organization.

Bangladesh became independent in 1971 but the accounting profession of the nation has a much longer history. The researcher Md. Bazlur Rahman Khan has published paper about the history of accounting profession in Bangladesh and provided a summary of the historical development of the profession. The history of accounting profession in Bangladesh can be described under two sections (Khan 2015):

Pre-Independence. During 1850–1947 accounting profession was legally accepted and practiced in Indian Subcontinent by bringing company law into force in 1850. According to the law it was compulsory to audit the accounts of the organizations on half yearly basis. In that period, the auditor was selected by companies and companies selected the European and Indian auditor to maintain the interest of European and Indian shareholders. There were no rules to access eligibility for the Indian auditors, the lawyers performed as an auditor in that period. But in 1914 it became compulsory for the company to audit the accounts by an expert auditor in accordance with the Company Act 1913. In that period those auditors who were not certified by the government were not able to perform the task of an auditor and for this reasons some auditors' loss their eligibility. In 1918, the government of Mumbai started a test to bring out professional accountants, but this test was accepted by other provincial and central government

of India. To regulate accounting profession the “Auditors Certificate Rule” was passed in 1932 and person who got certificate under this law was known as registered accountants. During 1947–1971, after separation of Indian Sub-continent the Government of Pakistan was accepted the “Companies Act 1913” and the “Auditors Certificate Rule” of 1932. In 1950, the law was corrected and changed to “Auditors Certificate Rule, 1950”. The ministry of commerce preserves the list of accountants who were known as registered accountants and later established the “Pakistan Institute of Accountant” by the registered accountants.

Post-Independent. Bangladesh was formerly known as East Pakistan. After liberation war in the year 1971, East Pakistan was separated from Pakistan and became as an independent country. Bangladesh faced many problems and difficulties for the lack of Bengali accountants after independent. For that reason, the Bangladesh government set up the committee and appointed 18 chartered accountants to solve the problems. Bangladesh Parliament made a few amendments to “Companies Act 1913” and passed the “Companies Act 1994”.

National Professional Accounting Body, Institute of Chartered Accountants of Bangladesh (ICAB) was formed in the year 1972 under the Bangladesh Chartered Accountant Order 1973. After a few years in 1977 the national body of the professional Cost and Management Accountants of Bangladesh (ICMAB) was commenced its journey to regulate and promote the profession of cost and management accountant in Bangladesh.

2.2. Accounting and Auditing Regulating bodies in Bangladesh

The basic requirements for financial reporting by all companies in Bangladesh provided through the Companies Act of 1994 to follow IFRSs known as BFRS. The regulating bodies in Bangladesh ensure the legal and regulatory framework for financial reporting and audit.

BSEC regulates financial reporting by all listed companies and require using IFRSs as BFRS to compliance in 1987 (BSEC... 2017).

The Bank Companies Act 1991 authorizes the Bangladesh Bank to regulate financial reporting to compliance with BFRS by Bank and other financial institutions. It mandates reporting formats of balance sheet and income statements including disclosures based on Bangladesh Bangladesh

Accounting Standards (BAS) 30, which is similar to International Accounting Standards (IASs) 30 (IASPlus... 2017).

The Insurance Act 1938 authorizes the Chief Controller of Insurance in Bangladesh regulates the financial reporting practices of insurance companies (Worldbank... 2003, 1).

Other companies in Bangladesh which are unlisted companies should compliance with BFRS. It is mandated by ICAB either by law or not by law (IASPlus... 2017).

The Financial regulatory bodies in Bangladesh regulate Islamic Banks through Bangladesh Bank, BSEC, Insurance and Regulatory Authority. Bangladesh Bank regulates Islamic banking sector, BSEC regulates Islamic capital market sector and Insurance Development and Regulatory authority regulates Takaful sector (Perves 2015). Takaful sector is the Islamic insurance industry.

2.3. Accounting Standards in Bangladesh

The adoption of IASs/IFRSs started from 1999 by the World Bank's Institutional Development Fund (IDF). The World Bank grants to Government of Bangladesh to develop of accounting and auditing standards in Bangladesh (Zaman, Rahman 2005).

ICAB is responsible to adopt IFRSs/IASs as BFRS/BAS. ICAB developed BFRS based on older IASs which was generated by the International Accounting Standards Committee (IASC). After that, improved IASs and new IFRSs developed by the International Accounting Standards Board (IASB). Recently ICAB has been adopted the updated IFRSs as BFRS which is developed by the IASB.

According to IASPlus (2007), with the except of IAS 39, 38, 36, 32, 29 and 19, the ICAB have been adopted all other IASs as BAS out of 41. According to IASPlus (2007), IFRSs 7 and 8 have not been adopted within 8 but IFRSs 1 and 4 was adopted to review by ICAB. Recently the adoption status of BAS/BFRS has been changed. According to ICAB (2017), the status of adoption of BAS/BFRS is presented in table 1 and 2.

Table 1. Adoption of IASs as BAS

No.	Title	Adoption and compliance by ICAB	Effective date as BAS
1	Presentation on financial statements	Adopted	01.01.2001
2	Inventories	Adopted	01.01.2007
7	Cash Flow Statement	Adopted	01.01.1999
8	Accounting policies change in accounting estimate and errors	Adopted	01.01.2007
10	Event after the reporting period	Adopted	01.01.1999
11	Construction contracts	Adopted	01.01.1999
12	Income taxes	Adopted	01.01.1999
16	Property, plant and equipment	Adopted	01.01.2007
17	Leases	Adopted	01.01.2007
18	Revenue	Adopted	01.01.2007
19	Employee benefits	Adopted	01.01.2013
20	Accounting of government grants and disclosure of government assistance	Adopted	01.01.1999
21	Effects of change foreign exchange rate	Adopted	01.01.2007
23	Borrowing cost	Adopted	01.01.2010
24	Related party disclosure	Adopted	01.01.2007
26	Accounting and reporting by retirement benefit plans	Adopted	01.01.2007
27	Separate financial statements	Adopted	01.01.2013
28	Investment in associates and joint ventures	Adopted	01.01.2013
29	Financial reporting in hyperinflationary economics	Adopted	01.01.2015
31	Invest in joint venture	Adopted	01.01.2007
32	Financial instruments: presentation	Adopted	01.01.2010
33	Earnings per share	Adopted	01.01.2007
34	Interim financial reporting	Adopted	01.01.1999
36	Impairment of assets	Adopted	01.01.2005
37	Provision, contingent liability and contingent asset	Adopted	01.01.2007
38	Intangible assets	Adopted	01.01.2005
39	Financial instruments: recognition and measurements	Adopted	01.01.2010
40	Investment property	Adopted	01.01.2007
41	Agriculture	Adopted	01.01.2007

Source: Composed by author from ICAB.

According to ICAB (2017), 41 IAS had issued where 29 are presently applicable and ICAB has adopted all.

Table 2. Adoption of IFRSs as BFRS

No.	Title	Adoption and compliance by ICAB	Effective date as BAS
BFRS 1	First time adoption of International financial reporting standards	Adopted	01.01.2009
BFRS 2	Share based payment	Adopted	01.01.2007
BFRS 3	Business combinations	Adopted	01.01.2010
BFRS 4	Insurance contracts	Adopted	01.01.2010
BFRS 5	Noncurrent assets held for sales and discontinued operations	Adopted	01.01.2007
BFRS 6	Exploration for and evaluation of mineral resources	Adopted	01.01.2007
BFRS 7	Financial instruments: Disclosures	Adopted	01.01.2010
BFRS 8	Operating segments	Adopted	01.01.2010
BFRS 9	Financial instruments	Not adopted	
BFRS 10	Consolidated financial statements	Adopted	01.01.2013
BFRS 11	Joint arrangements	Adopted	01.01.2013
BFRS 12	Disclosure of interests in other entities	Adopted	01.01.2013
BFRS 13	Fair value measurement	Adopted	01.01.2013

Source: Composed by author from ICAB

According to ICAB (2017), ICAB adopted 12 IFRSs out of 13 with the exception of IFRS 9 on Financial Instruments.

For the financial reporting all listed companies, banks, financial institutions are legally required to follow the IFRSs as BFRS but as a professional body, ICAB have no mandatory laws to follow IFRSs.

Practically the insurance companies do not follow BAS/BFRS and it is not mandatory to follow according to the Insurance Act 1938. But unlisted companies need to comply with BAS/BFRS according to ICAB but not enforceable.

Bangladesh has adopted 2009 version of IFRSs by the ICAB for the small and medium-sized entities (SMEs) as BFRS in 2011 (IFRS... 2016, 4). The eligible entities of BFRS for SMEs

became applicable to annual periods on the 1st January 2013. The Constitution of Bangladesh outlines the public-sector accounting framework and authorizes the Comptroller and Auditor General of Bangladesh to determine applicable standards. The 2013 version of International Standards on Auditing has adopted by the ICAB'S Technical and Research Committee as BAS. It is adapted for application in the country with limited modifications due to local laws (IFAC... 2017).

In the year 2015, the financial reporting acts of 2015 approved by the Bangladesh Parliament to set up Financial Reporting Council (FRC). The purpose of the establishment of FRC is to make an independent regulatory body for the monitoring the accountancy, auditing profession and financial standards.

2.4. Accounting and Auditing Professional Bodies in Bangladesh

Accounting and auditing profession in Bangladesh is regulated by two professional bodies. These professional bodies are:

- The Institute of Chartered Accountants of Bangladesh (ICAB);
- The Institute of Cost and Management Accounts of Bangladesh (ICMAB).

ICAB is established in 1972. ICAB is the regulator of accountants and auditors, under the Bangladesh Chartered Accountants order of 1973. ICAB is the only organization to train up accountants to be professional. Accounting and auditing profession in Bangladesh have been monitored by the ICAB for over 40 years. According to the Companies and Finance Act and SEC Rules of 1987 all listed companies' financial statements should be audited by the listed audit firm and member of ICAB (Nurunnabi2014). Auditing profession in Bangladesh is extending. Ahmed (2015) says, "Day by day the demand of qualified auditing professionals has been increasing in Bangladesh especially in textile sectors. Companies in Bangladesh separately maintain an internal audit department by the professional auditors".

According to ICAB (2017), the total number of members of ICAB is 1538 as of 2016 where 1419 are residing in Bangladesh and rest of members in abroad. The 366 members of ICAB are practicing as public accountants out of 1538 and the rest 1217 are serving in private

organizations or either in various key positions in public, both at home and abroad. After 2016 the total number of members of ICAB increased by 102 female members.

ICMAB is established in 1977. ICMAB is regulated under the cost and management accountants of Bangladesh regulation in 1980. ICMAB as a professional body is playing role in the accountancy and finance profession in Bangladesh. ICMAB is provided training only in cost and management accounting.

ICMAB is governed by a council constituted and the council consists of 12 members. The 12 members are elected through the member of ICMAB and 4 nominees from the government of Bangladesh. Role of ICMAB for developing accounting profession in Bangladesh (Ahmed 2006):

- Bangladesh can become an industrialized nation. ICMAB is working on that. ICMAB is trying to do this by promoting and regulating Cost and Management Accounting profession to enhance economic competitiveness.
- Regulating cost and management accounting profession commensurate with global standards.
- ICMAB objective is to develop Bangladesh's human and natural resources ensure common welfare.

The administrative ministry of ICAB and ICMAB are the Ministry of Commerce, Government of the People's Republic of Bangladesh. The Council ICAB is responsible for the administration and management of the Institute as a supreme authority. This council has twenty members who are elected by the member of the Institute from its two regional constituencies in Bangladesh for every three years. Currently ICAB has two regional committees: Dhaka Regional Committee and Chittagong Regional Committee and Overseas Chapters include UK Chapter Management Committee and North American Chapter (ICAB... 2017).

ICAB is the member of the following International and regional accounting bodies (ICAB... 2017):

- The International Federation of Accountants (IFAC);
- The International Accounting Standards Board (IASB);

- The Confederation of Asian and Pacific Accountants (CAPA);
- The South Asian Federation of Accountants (SAFA).

2.5. Reporting System in Bangladesh

Companies Act 1994, Finance Act of 2014, BSEC Rules of 1987, the Banking Act of 1991, the Insurance Act of 1938, and the Bangladesh Chartered Accountants Order of 1973 outlined corporate financial reporting requirements in Bangladesh (IFAC 2017). Financial report in Bangladesh consists of a balance sheet, an income statement (Profit and Loss), changes in equity, statement of cash flows and notes for the financial statements to comprise significant accounting policies and other explanatory information (Nordea... 2018).

The financial reporting in Bangladesh is regulated under the Companies Act 1994. The financial statements must be prepared annually, and annual auditing is compulsory for the all listed companies and should be conducted by the independent qualified chartered accountant who is certified by ICAB. The Hongkong and Shanghai Banking Corporation (HSBC) 2016, “The annual accounts of companies should be presented by an Auditor’s reports and Director’s report to members in the annual general meeting. The financial statements have to file with RJSC within 30 days and it should be done from the date of the annual general meeting. The financial statements of the company must be signed by the two directors especially the managing directors and for the banking companies must be signed by three directors”.

Auditors conduct the audit in accordance with Bangladesh standards on auditing. Also, in an audit report, the auditor should be mention that the audit report is done by the companies act or by the BSEC rules. The auditor can be firstly appointed by the director of the company, but the final approval must be done by the company shareholders. Only those auditors can perform the audits whose are authorized by the member of ICAB.

According to the Stock Exchange requirements and BSEC rules, the listed companies in Bangladesh should present additional disclosure and public announcements. Sometimes the government may ask an annual information returns via the notification in the Official Gazette.

The accounting profession in Bangladesh has a long history started in 1850. After the liberation war in 1971, the accounting profession had a lot of problems and for solving these problems the national professional accounting body was formed. Now these are two professional accounting bodies: ICAB and ICMAB. ICAB is the regulator of accountants and auditors and is providing training to accountants to be professional whether ICMAB is providing training in cost and management accounting. The listed companies in Bangladesh have basic requirements for financial reporting to follow IFRSs as BFRS. The regulating bodies BSEC, Bangladesh Bank and the Chief Controller of Insurance in Bangladesh ensure the legal and regulatory framework for financial reporting and audit. Bangladesh adopted IFRSs as BFRS by ICAB which are legally required to follow but not mandatory by laws through ICAB. It is compulsory for all listed companies to prepare the financial report and audit it by the authorized auditor. The financial report should present for public announcements and additional disclosure.

3. CULTURAL INFLUENCES ON ACCOUNTING RULES AND PRACTICES

3.1. Culture of Bangladesh

Culture is "the collective programming of thinking which distinguishes the members of one group or society from another" (Hofstede 1984, 82). Culture is the behavioural pattern of members of community what consist of beliefs, prejudices, practices, geographical locations, demographic statistics, religion, language, etc. Culture is not a written set of rules or regulations; it is a subconscious process of learning and reflecting through verbal and nonverbal communication.

Compare to the size of area Bangladesh is a land of most diversified culture in this region. The richest heritage of the country is reflected in its dance, architecture, literature, music, art and dress. Religions have a great influence on its culture and heritage. In terms of number Islam, Hinduism, and Buddhism are the influential religion in the country. Moreover, the historic birth of the nation after a 9 months liberation war during 1971 has also an influence in the formation of culture. Since the country is also popularly known as a land of river, thus the river-based economy has also a great impact on culture of the country. The entire nation celebrates number of festivals which is the unique part of Bangladeshi culture and heritage to understand.

"Pohela Boishakh" is the very first day of the Bangladesh calendar. It is one of the unique festivals that are celebrated by the people of all religions and customs. February 21, the Language Movement Day is a part of the culture of Bangladesh. This day is observed in every year to pay deepest honour to the martyrs who dedicated their lives to make Bengali as the official language and nationals' mother tongue in 1952. Independence Day and Victory Day are national days observed and celebrated with respect and joy on March 26 and December 16 each year gradually.

Eid ul-Fitr and Eid-ul-Adha are the predominant religious festivals observed by the Muslims. These two festivals create impact on socioeconomic life due its biggest size population in number in the country. The Hindu community observes several festivals, but their biggest religious festival is popularly known as Durga Puja observed throughout the country for ten days. Christmas in every year on December 25 is also observed by Christian community in different places of the country.

These multi religious festivities in one single country reflect its cultural nature of secularism. The people live here under one common custom and culture with different beliefs and tastes. This secular and commonness created a unique and diversified culture which is helping a lot to ensure peace and happiness of the land through establishing harmonious relationship with friends, family and community.

3.1.1. Subculture of Bangladesh

The same Bangladeshi who belongs to the same locality may have a different and astonishing identity and acceptance due its nature of subculture segmentation. These cultural segmentations exist because of some of the variables and it could be mention like religion, region, income and occupation, race, gender etc.

It is found that there are broad differences between the cultures of various societies; there can also be variety within the similar and the same type of cultures. Almost every culture contains subcultures, share the same values and daily staffs of the common larger society, but also have different tastes, choices, practices, power, preferences, and attitude.

Businessmen living in the old part of Dhaka, cinema artists and people living in the urban slums are all examples of subcultures. Islam is the dominant religion in the culture of Bangladesh; Sunni, Shiaa and Baahaai, for example, may be viewed as subcultures within the larger Muslim culture in Bangladesh. Subculture may also be defined in terms of such factors as region, rural or urban residence, ethnic background, and religion. Subculture is thus a part or segment of the main culture. The major Subculture of Bangladesh are Ethnic (based on the ancestors' birthplace), Religious, Regional, Age, Singles, Gender, Occupation, Social Class (Schiffman, Kanuk 2018).

3.1.2. Cultural Dimensions Identified by Hofstede

Culture is a complex phenomenon to be described. There have been many dimensions to identify culture where each dimension covers the description, measured and quantified. Culture influences the norms, values and interactions between and among social systems and forms of individual perspective. Cultural dimensions can be identified by Hofstede. Hofstede (1991) developed four culture dimensions and measured each dimension of a range of 50 countries and three geographical groupings of countries. The four cultural dimensions identified by Hofstede (Hofstede, Bond 1984) are individualist cultures versus collectivist cultures, large versus small power distance, strong versus weak uncertainty avoidance and masculinity versus femininity.

Individualist cultures versus collectivist cultures. Culture promotes personal initiatives and achievements where social networks and frameworks are loose. On the other hand, collective societies assume that people are assimilated into groups from birth till death and characterized by protection and loyalty. Strong kinship like alliance to family is a basic characteristic. Personal relationships are so vital that they dominate over duties (Haque, Mohammad 2013).

Large versus small power distance. Power distance indicates the member of society accepts the power in institutions and organizations is distributed unequally. This affects in the society by the behaviour of people. Societies with high power distance follow hierarchical order where any justification is not needed further but in small power distance people strive and demand for justification. This issue is still obeyed and addressed by the dimension how society is working with inequalities and how inequalities among the people are handled when they demand.

Strong versus weak uncertainty avoidance. Uncertainty avoidance indicates the feeling of insecurity with uncertainty and ambiguity in the society. In the society with a strong avoidance of uncertainty, there is a strict code of beliefs and tolerance for new ideas and solutions is almost null. On the other hand, under weak uncertainty avoidance, people maintained a relaxed atmosphere with principles based not rules based and living in the unknown fact.

Masculinity versus femininity (low versus high nurturing). Masculine norms promote assertiveness, competition, task orientation, ambition. Also, it denotes material success and separates gender role based on the tradition. Children grow with the ambition of career development, striving for material prosperity and wealth (Haque, Mohammad 2013).

While, feminine norms indicate soft values like caring, nursing, maintain warm relationship, concerns quality of life. Children grow toward modesty and solidarity. High power distance and high uncertainty avoidance shape conception about organization whereas individualism and masculinity refer to the perception about people in the organization (Hofstede, 2010).

Bangladesh cultural dimensions identified by Hofstede are given in the table 3.

Table 3. Cultural differences of Bangladesh according Hofstede

Cultural dimensions	Bangladesh	Index (score)		
		Highest	Lowest	Mean
Power distance	80	104	11	58
Individualism-collectivism	20	91	6	48
Masculinity-femininity	55	95	5	50
Uncertainty avoidance	60	112	8	60

Source: Composed by author from Hofstede Insights (Bangladesh)

According to this table the score of power distance in Bangladesh is 80 within 104. That means Bangladesh belongs to the higher distance society where relationship is categorized by high power. Even in this culture, there is no hierarchy principle of balancing the power. Bangladesh can be characterized as collectivistic society by score 20. This society is more concerned for the group of family or group of members than individual persons. This community is unconditionally working for each other. In masculinity-femininity “Bangladesh can be considered as a masculine society with the score 55 on this dimension” (Hofstede insights 2018). Bangladesh is ranked with masculinity and this is not only influencing the working sector but also affecting in decision making and in personal life. In the working sector most of the time male are getting priority and for the decision making in personal or professional life male decisions are final. As a developing country the thought of society is recently changing and giving priority to women, but majority is very low. According to Hofstede insights (2018), “Bangladesh scores 60 in the uncertainty avoidance on this dimension and thus has a high score”. Bangladesh culture is considered with high uncertainty avoidance which creates rules and regulation to make centralized structure. In short, according to Hofstede Bangladesh is collectivistic and masculinity base society with high power distance and maintained the culture with high uncertainty avoidance.

3.1.3. Critique of Hofstede's work

While many researchers have used Hofstede's work in accounting and management but did not get satisfied result and arise a lot of debate regarding its usefulness. Some of the criticisms for example Mc Sweeney and Trompenaars made points that these dimension is not suitable way to examine cultural differences. Researchers and writers sometimes used the cultural dimensions, or score provided by Hofstede in wrong manner and then made question for the usefulness to understand culture. For the inappropriate use of cultural dimensions Hofstede warned that these dimensions can be used to discriminate between national cultures not for between individuals. Based on McSweeney's criticism, Hofstede argued that his survey measured the differences between nations, no absolute numbers and agrees with McSweeney (2002) that nations are not the most suitable for measuring cultural aspects but often the only available for conducting this kind of research and welcomes every researcher to come up with proposals to define further dimensions. Hofstede rejects the accusation of relying on outdated data by claiming that they have centuries-old roots and that recent replications show no loss of validity. Williamson (2002) contributes to this discussion with an unbiased view from a third person and can be recommended for further reading in this regard. Methodically questionable about the results of cultural dimensions because by these four cultural dimensions are not enough to sufficiently determine cultural aspects. Culture also can be defined by the religion whether Hofstede ignored. As a Muslim country the culture of Bangladesh can defined by the religion fact and possible to find out how the religious fact influencing administrative culture.

3.2. Culture and Business of Bangladesh

The relationship between culture and business is reciprocal, one feeds another. Culture influences workplace performance more compare to any other factors like talent and skills. The type of business is directly correlated with cultural practices and preferences. For instance, alcohol is not acceptable in Bangladeshi culture but drinking alcohol is not prohibited in the neighbouring country for example India. Therefore, alcohol business will be hardly found in Bangladesh but available in the neighbouring country.

Culture and leadership style in Bangladesh

The leadership style stands with cultural norms and customs without any significant influence of scientific theory or practice. Since in Bangladesh the community leaders are selected or elected based on their age, seniority, family status and income. Therefore, there is a significant influence of this practice almost in everywhere including in institutions and business organizations.

The norms and practices within the political parties have also an impact on leadership style of Bangladesh. In political environment a person becomes leader who has much influential power on the decision of mass dependent people. Now in Bangladesh people who have influential power become political or business or community leader. Politics plays a vital role in setting trends in culture of the country.

In Bangladesh there is very insignificant value or consideration of those people who are highly educated. Instead of intelligent and highly educated people chose those who are senior in age, possess a string and renowned family background, earning too much money and wealth, spending for social and human welfare and of course male in gender.

Social discrimination in the Bangladeshi culture has also influence in setting leadership trends. With equal ability and quality, a person gets rejected to be a leadenly because of gender, race, religion, regional discrimination.

The centralized management power is more popular in Bangladesh due the dependence attitude of people. Not in politics but in the community and business organizations one person holds all power and decides at his own who will be the next leader.

Due to massive influence of ICT & digitalization cultural norms and attitudes are being shifted rapidly. Therefore, cultural shift is also changing the leadership style in business organizations. In Bangladesh the leadership pattern is changing to be in tune with the ever-changing external business environment, horizontal communication line and decision-making procedures that involves everyone's opinion. With the changing culture, value, beliefs and norms the leadership method in corporate sectors is facing new inventions, theories and modern ways to transforming work orders to real actions.

According to CEO and founder Mr. Imtiaz Ahmad of Think Turbine (a private Consultancy and business services firm) the new business world is changing in a faster speed which enables everyone in the organization to have any details they want (Ahmed et al. 2015). The power distance between the employees of different levels has decreased which as well has led to a nice and easy communication inside and outside the organization which is important. Being a corporate leader of young, energetic and enthusiastic personnel requires a great amount of support from subordinates and help of employees who can work freely and make decisions based on situation.

3.3. Culture and Accounting in Bangladesh

Bangladesh was colonized by British Empire for hundreds of years. The country imitated and replicated many ideas like business model and organizational structure. Organizations in Bangladesh are structured by the influences of native culture and colonial period's organizational structure. Since the cultural traits indicate that the power and decisions are centralized, therefore, organizational structure is also bureaucratic or centralized with multiple levels of management system where information and decisions flow from the top level to down.

Culture differentiates the aspects of society even in accounting. Accounting is viewed as part of business practice or administration and control. It is influenced by the internal and external forces and symbolizes the culture in which it is performed.

3.3.1. Accounting Subculture

Culture influences the organizational structures and decision-making processes of companies while the subculture of accountants is influenced by the culture of society. Bangladesh culture is different from the European culture and Bangladesh accounting subculture is also different from the subculture of accountants of Europe. In Bangladesh some of organizations have people without any accounting qualification or people with minimum accounting qualification are working in accounting departments. For example, someone who has education in English literature may join in the accounting department and it can be happened by the power of political person. Culture of Bangladesh is influencing the accounting system to provide right feedback in the institution. For example, religion is influencing the banking system by the belief of prohibition of interest which is influence interest-oriented investment and earnings of the bank.

3.3.2. Accounting Values

Two cultural values uncertainty avoidance and power distance seem to have relevance to accounting of Bangladesh. Under high uncertainty avoidance cultural people have belief on rules and regulations and tend to be detailed. In low uncertainty avoidance culture, person is more relaxed with the personal ideas. The culture of Bangladesh has few rules and the member of society is relying more on general principles. Bangladesh is considered with uncertainty avoidances. The organization follows rules and regulations which contribute to centralized structure. High power distance society follow hierarchical order. The society of Bangladesh has no balancing order based on hierarchical principle. Bangladesh is highly scored in high power distance. The accounting values of Bangladesh can identify by using Gray framework and can be demonstrate how the culture affects accounting.

Gray (1988) identified four accounting values or dimensions: professionalism versus statutory control in regulation; uniformity versus flexibility in accounting practices; conservatism versus optimism in measurement practices; and secrecy versus transparency in disclosure practices.

3.3.3. Cultural Analysis of Accounting in Bangladesh by Gray Framework

Gray framework model is a way to understand cultural impact on accounting values and practices. Gray framework explores the relationship of Hofstede cultural dimensions by four accounting values. Four accounting values of Gray framework are given (Gray 1988):

Professionalism versus statutory control. Gray's first value is professionalism versus statutory control. This is the dichotomy for the preference of professional judgment and self-regulation versus complying with legal requirements and control. It helps individual accountant for professional judgment to make ethical decision with regulation. Statutory control can be important in situations where it is necessary to follow the law precisely; this could hinder an accountant's development of professional judgment. As a high-power distance society Bangladesh is preferable for statutory control to comply with legal rules when it is necessary to avoid uncertainty (Borker 2013, 8). Statutory control effects of an accountant's development of professional judgement in Bangladesh.

Uniformity versus flexibility. Uniformity versus flexibility the enforcement of uniform accounting practice between companies rather than accepting practices when need to use (Young 2013, 8). Also, flexibility is needed sometimes of individual companies to adjust the cultural dimensions. Uniformity is preferable in high power distance society where codes, rules are more likely to be acceptable (Gray 1988). Uniformity is preferable for Bangladesh (Borker 2013) because the society of Bangladesh considered as a high-power distance society where codes, rules are more acceptable.

Conservatism versus Optimism. This suggests a preference for remaining cautious in measurements when dealing with an uncertain future rather than being more optimistic and riskier in reasoning (Young 2013, 9). A conservative perspective in accounting is easily seen as many principles are based on this view, such as objectivity, verifiability, reliability and the practice of lower of cost and market (Baydoun, Willett 1995). Conservatism is preferable for Bangladesh to avoid uncertain because Bangladesh society tends to avoid uncertainty. It seems that the typical accountant of Bangladesh mind tends to be more conservative while others, such as entrepreneurs, tend to be riskier.

Secrecy versus transparency. This is comparison of confidentiality and the restriction with transparency. In accounting, a business wants to secure the security with restricted information in a competitive market by the close involvement with its management verses being more transparent, open and accountable to the public. Secret culture is high power distance related and Bangladesh is preferable as a secret culture with high power distance by restricting information. As a secret culture, Bangladesh is not more caring to be open publicly and like to maintain unequal's power.

Cultural dimensions are systematically linked to accounting values. The relationship between cultural dimensions and accounting values are given table 4 based on Bangladesh.

Table 4. Hofstede-Gray Relationship based on Bangladesh

Cultural dimension	Relationship to accounting values			
	Statutory control	Uniformity	Conservatism	Secrecy
Individualism	-	-	-	-
Power distance	+	+	+	+

Uncertainty avoidance	+	+	+	+
Masculinity	NR	NR	NR	NR

Source: Composed by author

Note: (+) Positive relationship, (-) Negative relationship, (NR) No relationship.

Cultural dimensions relate to Gray's four accounting values and four accounting values influence accounting system. The two cultural values of Bangladesh affect the accounting values of accounting system. The accounting values statutory control and uniformity influence the regulatory system. Uncertainty avoidance influences the statutory control, in terms of organizations in Bangladesh to follow the law when it is necessary whether power distance culture influences uniformity to follow rules made by authority. High power distance influences the practice of accounting standards particularly disclosure practices through the secrecy value. On the other hands, conservatism influenced the measurement practice of accounting with uncertainty avoidance. Masculinity culture is more related with perceptual conception and collectivism is showing the strong kinship of society, but they are not affecting accounting system.

3.4. An empirical assessment of Gray's accounting value in Bangladesh

Methodology. A survey instrument was constructed and distributed to Bangladesh's accountants and accounting students. A copy of the questionnaire instrument is given in the appendix 2. The covering letter of questionnaire was brief and general, explaining the purpose of the survey. To designed questionnaire followed Gray's framework for testing accounting values and practices in Bangladesh. The Gray's accounting values are captured by four accounting values and a five-point Likert scale (strongly agree, agree, neither agree nor disagree, disagree, strongly disagree) was used.

The study consisted of 20 statements where 16 were main items and 4 were additional items. The statements were designed simple, short and understandable. Each argument represents an opinion about accounting values and practices in Bangladesh. The main statements of this survey were taken from the article "An empirical assessment of Gray's accounting value constructs" (Chanchani, Willett 2004, 151). This article is the framework for a theory of cultural relevance in accounting. These statements are used to evaluate accounting subculture value of Bangladesh for professionalism, uniformity, conservatism and secrecy.

Sample. Data for this study was collected from practicing accountants, bank loan officers, non-practicing accountants, financial analysts, managers, students and others in Bangladesh.

Table 5. Survey sample

Status	Sample
Survey Group	
Practicing Accountants	5 (9.62%)
Bank loan officers	9 (17.31%)
Non-practicing accountants	1 (1.92%)
Financial analysts	2 (3.85%)
Managers	4 (7.69%)
Students	25 (48.07%)
others	6 (11.54%)
No answer	1 (0.00%)
Total	53(100%)
Number of Male respondents	44
Number of Female respondents	9
Total	53
Age	
Below 29 years	44
30-34 years	4
35-39 years	1
40-49 years	2
50 years and over	0
No answer	2
Total	53
Overseas Experience	
None	18
Up to 12 months	20
2 years or more	15
Total	53

Source: Authors' own compilation (see appendix 3)

The total sample size was 53. The response rates of target people were divided into the following: practicing accountants 9.62%, bank loan officers 17.31%, non-practicing accountants 1.92%, financial analysts 3.85%, managers 7.69%, students 48.08% and others 11.54%. The respondents were male and female both and the combination of overseas experience was up to 12 months, 2 years or more and none. All the results are presented in appendix 3.

Analysis and results. The questionnaires were distributed under four accounting values of Gray framework to analysis the result of accounting values of Bangladesh. Items 8, 12, 16, 20 attempted to capture the accounting value professionalism. Items 6, 10, 14, 18 relate to the uniformity construct. Items 5, 9, 13, 17 relate to conservatism. The accounting value secrecy is represented by the questionnaire items 7, 11, 15 and 19.

Table 6. Terms score by items for Professionalism

(1 = strongly agree, 5 = strongly disagree)

Number	Professionalism Item description	Terms					Score
		Strongly agree (1)	Agree (2)	Neither agree nor disagree (3)	Disagree (4)	Strongly disagree (5)	
8	Accounting profession should be self-regulated.	0.1509	0.6416	0	1.0568	1.321	3.1703
12	Professional accountants are the best judges of how to measure a firm's financial position and performance.	0.1132	0.7924	0.0567	1.8868	0	2.8491
16	Professional accountants are the best judges of what to disclose in financial statements.	0.0755	0.7548	0.1698	1.5848	0.4715	3.0564
20	Professional accountants should maintain high standards of ethical conduct	0.3208	1.283	0.0567	0	0.0945	1.755
	Average score						2.7077

Source: Authors' own compilation (see appendix 3)

Item 8 is related to the self-regulation where the score of disagree is little bit higher than agree. Item 12 is related to the positive agreement toward the professionalism, but the score was not higher comparing with disagree, it's vice versa. Item 16 score is 3.0564 that means the score towards the statutory control. Item 20 is just used as an aspect of professionalism which score was towards the professionalism. Based on the score of items the average score is 2.7077 which indicated that statutory control is preferable for Bangladesh not professionalism.

Based on age also was calculated the average score for the professionalism under each statement (see in the table 9) where for the age below 29 at one point they want professionalism but on others points not. From the age 35-39, respondents want professionalism so based on this the author can say now-a-days it's changing where the people started to prefer professionalism.

Table 7. Terms score by items for Uniformity

(1 = strongly agree, 5 = strongly disagree)

Number	Item description	Terms					Score
		Strongly agree (1)	Agree (2)	Neither agree nor disagree (3)	Disagree (4)	Strongly disagree (5)	
6	Depreciation rules should be set externally, specifically for separate groups of assets.	0.1538	0.6924	0.1155	1.846	0	2.8077
10	Financial statements of all companies should have standardized formats.	0.3585	1.1698	0.1698	0	0	1.6981
14	Accounting policies once chosen should not be changed.	0.4038	0.6154	0.1731	0.846	0.096	2.1343
18	The level of detailed standardization in financial statements should be increased.	0.3396	0.9812	0.2829	0.302	0	1.9057
	Average score						2.13645

Source: Authors' own compilation (see appendix 3)

Item 6 indicates the level of uniformity and the lower indicator will be considered as a higher uniformity. Items 10 and 14 are designed to collect information about the usage of standardized format of financial statements and asking accounting policies once chosen should not be changed. The stronger agreement will be taken as uniformity. Item 18 asked respondents about the agreement that the level of detailed standardization in financial statements should be increased. The lower level indicates the preference for uniform accounting. The average score 2.13645 of the items indicates the preference for uniformity.

The older respondent (40-49) they preferred flexibility but for age below 29 to 39 they are preferring uniformity so the average respondents based on age also preference the uniformity.

Table 8. Terms score by items for Conservatism

(1 = strongly agree, 5 = strongly disagree)

Number	Item description	Terms					Score
		Strongly agree (1)	Agree (2)	Neither agree nor disagree (3)	Disagree (4)	Strongly disagree (5)	
5	Profits and assets should be valued downwards in case of doubt.	0.1346	1.5384	0.1731	0.154	0	2.0001
9	Market values are generally less relevant than historic costs.	0.2835	1.1924	0.1155	0.3076	0	1.899
13	Market values should be generally used instead of historic	0.769	1.6154	0.1731	0.2308	0	2.7883

17	In times of rising prices LIFO instead of FIFO should be used in calculations as estimates.	0.4423	0.8076	0.2307	0.2308	0.096	1.8074
Average score							2.1237

Source: Authors' own compilation (see appendix 3)

Items 5, 9, 13, 17 evaluate conservatism. The stronger agreements will consider as optimism. After analysis the terms under the selected each item for conservatism, the average score 2.1237 is towards conservatism for Bangladesh.

The statements for the 5, 9, 13 and 17 by the age 35-39 were disagreement for the conservatism. For the age below 29, 30-34 and 40-49 were more preferable for the conservatism than 35-39 aged respondents.

Table 9. Terms score by items for Secrecy

(1 = strongly agree, 5 = strongly disagree)

Number	Item description	Terms					Score
		Strongly agree (1)	Agree (2)	Neither agree nor disagree (3)	Disagree (4)	Strongly disagree (5)	
7	Financial statements should be available to the general public rather than just to shareholders and managers.	0.1538	1.1154	0.2307	0.846	0	2.3459
11	Only a minimum amount of detailed data should be included in financial statements.	0.2453	1.283	0.1131	0.302	0	1.9434
15	Information about management and owners should not be included in financial statements.	0.3963	0.9056	0.1698	0.302	0.0945	1.8681
19	Management forecasts should be included in financial statements.	0.0962	0.7692	0.2307	1.6924	0.096	2.8845
Average score							2.26048

Source: Authors' own compilation (see appendix 3)

Item 7, 11, 15, 19 are related to the disclosure issue. Item 7 was used to know that the financial statements will be open for public rather than just to shareholders and managers. The stronger disagreement indicates the secrecy. The strong agreement of items 11 and 15 indicated the secrecy on the other hands item 19 is relating the transparency by the stronger agreement. The average rate 2.26048 indicates towards the secrecy for Bangladesh. For the secrecy by the all age group in average they preferred still the secrecy for Bangladesh not transparency.

Table 10. Comparison of scores by age for the items

(1 = strongly agree, 5 = strongly disagree)

Number	Item description	Below 29	30-34	35-39	40-49
8	Accounting profession should be self-regulated.	2.8221	4.25	1	4.5
12	Professional accountants are the best judges of how to measure a firm's financial position and performance.	3.0336	3.5	2	3
16	Professional accountants are the best judges of what to disclose in financial statements.	2.9671	2.75	3	3
20	Professional accountants should maintain high standards of ethical conduct.	1.7555	1.75	3	2
	Average score for Professionalism	2.6445	3.0625	2.25	3.125
6	Depreciation rules should be set externally, specifically for separate groups of assets.	2.8448	2.75	2	4
10	Financial statements of all companies should have standardized formats.	1.8	1.5	2	1
14	Accounting policies once chosen should not be changed.	2.6054	2	3	2.5
18	The level of detailed standardization in financial statements should be increased.	1.7556	1.5	3	3
	Average score for Uniformity	2.2514	1.9375	2.5	2.625
5	Profits and assets should be valued downwards in case of doubt.	2.003	2	2	2
9	Market values are generally less relevant than historic costs.	1.9779	1.5	2	1.5
13	Market values should be generally used instead of historic costs	2.114	2	3	2
17	In times of rising prices LIFO instead of FIFO should be used in calculations as estimates.	2.6054	1.5	4	1.5
	Average score for Conservatism	2.175	1.75	2.75	1.75
7	Financial statements should be available to the general public rather than just to shareholders and managers.	2.5333	1.75	2	3
11	Only a minimum amount of detailed data should be included in financial statements.	2.0225	1.5	2	2.5
15	Information about management and owners should not be included in financial statements.	1.9557	2	3	1.5
19	Management forecasts should be included in financial statements.	2.9888	2.75	3	3
	Average score for Secrecy	2.375	2	2.5	2.5

Source: Authors' own compilation (see appendix 3)

The present study examined the accounting values and practices among Bangladesh's accountants and accounting students. The survey discovered the Bangladesh respondent's opinion about accounting values and their preferences. Also had some limitation for the survey specially get right answer for each statement on the Likert scale 5. Finally, the author can say at some point people young generation (below 29) and for the age 35 to 39 start to prefer the professionalism where author can expect the professionalism for future not statutory control. On the other hand, people still preferred uniformity, conservatism and secrecy so for the future it is hard to expect the changes.

3.5. Is Culture an Important Influence on Accounting?

The impact of culture on financial accounting has become an increasing interest to accounting researchers. The relevance of culture on accounting practices has been debated particularly in the field of international accounting (Burchell et al. 1980). Cultural dimensions are the outcomes of 10 years research project called GLOBE (Global Leadership and Organizational Behaviour Effectiveness) by measuring cultural practice and cultural values from 62 societies.

Culture is such a factor which helps to explain the differences in accounting systems across countries. Cultural relativism implies that one group should not judge other group's activities based on its criteria, because the fundamental attributes are different from one society to another. Culture influences accounting function in corporate financial reporting regulation at the nation specific level.

In Bangladesh sometimes, the small businesses like a grocery shops keep all accounting records just by maintaining a tally book which is called note book. Maintaining this tally book is a part of Bangladeshi culture but not mandatory by any law. All listed companies of Bangladesh under BSEC are legally required following IASs and IFRSs adopted by ICAB but by law is not enforceable. Large companies in Bangladesh establish separate accounting department to prepare accounting report by an accountant. Financial report is prepared for the external users and managerial accounting report for internal users. Bangladesh is power distance society and decision made by the authority of organization, in terms the internal users of organization is only top management. Organization structure and leadership style of Bangladesh are also influencing by the political power distance. Bangladesh is uncertainty avoidance culture, in terms of an organization in Bangladesh compliance with accounting standards when they feel it is necessary to avoid future uncertainty. Accounting system of Bangladesh influenced by the cultural diversity especially regulatory system and practice of accounting standards particularly disclosure made. The culture of Bangladesh also affects the practice of accounting in measurement system. Religious is influencing the accounting practices especially in banking sector where calculation of interest system is totally different than normal interest calculation. So, Bangladesh culture plays an important role to influence the practice of accounting with IASs and IFRSs standards and affects the regulatory accounting system. Adaptability nature of the people of Bangladesh made the pathway to cope with international regulations and standards.

Conclusion

Bangladesh is a democratic country which is located in South Asia. The Population of Bangladesh ranked 8th in the world. The economy of Bangladesh is mainly based on agriculture where 24.6% proportion is coming from the agriculture sector to the GDP. Bangladesh has significant success in textile industry and in foreign investment also.

The aim of the thesis is to present how culture influences the accounting system of Bangladesh. The thesis is divided into three parts.. The first part of the thesis is about the factors which are influencing the accounting system in Bangladesh. From the first chapter author concludes that accounting system of Bangladesh is influenced by many internal and external factors. Political and economic system influences the role of accounting. The taxation and financing system in Bangladesh tends to influence the demand for accounting information by the regulations and financial reporting standards. Industry in Bangladesh is influenced by foreign companies for example Europe and the UK are forcing to maintain IFRSs, in terms the accounting system influenced to adopt the specific measurement rules particularly financial reporting standards.

The second part of the thesis is overview of Bangladesh accounting. The accounting profession in Bangladesh has a long history started in 1850. After the liberation war in 1971, the accounting profession had a lot of problems and for solving these problems the national professional accounting body was formed. Now there are two professional accounting bodies: ICAB and ICMAB. ICAB is the regulator of accountants and auditors and is providing training to accountants to be professional whether ICMAB is providing training in cost and management accounting. The listed companies in Bangladesh have basic requirements for financial reporting to follow IFRSs as BFRS which is adopted by ICAB. The regulating bodies BSEC, Bangladesh Bank and the Chief Controller of Insurance in Bangladesh ensure the legal and regulatory framework for financial reporting and audit. For all listed companies it is compulsory to prepare the financial report and audit it by the authorized auditor. The financial report should present for public announcements and additional disclosure.

The last part of the thesis is about cultural influences on accounting rules and practices in Bangladesh. The author used Hofstede framework to identify cultural dimensions of Bangladesh.

Bangladesh belongs to high community with high power distance and uncertainty avoidance culture. The people of Bangladesh desire to follow code, belief, religion, restricted rules and regulation which not only influencing the overall systems but have also impact on accounting system. The accounting value statutory control and uniformity influence the regulatory system. Uncertainty avoidance culture influence the statutory control to follow the law when it is necessary and power distance culture influence the practice of accounting standards particularly disclosure practice through the secrecy value. Conservatism influenced the measurement practice of accounting. In this part the author has an empirical assessment of Gray's accounting value in Bangladesh. Through this empirical assessment examined the accounting values and practices among Bangladesh's accountants and accounting students. Through the respondent's opinion about accounting values and by their preferences it is possible to conclude that at some point people among young generation (below 29) and people for the age 35 to 39 start to prefer the professionalism where author can expect the professionalism will maintain for future not statutory control. On the other hand, people still preferred uniformity, conservatism and secrecy so for the future it is hard to expect the changes. Overall the culture of Bangladesh is affecting the professional judgement to make ethical decisions with regulation and disclosure practice which is holding up the development of accounting system.

Bangladesh is a land of opportunities with natural resources. Utilizing the human capital Bangladesh can create new examples. In this regards accounting system can play a major role to develop the entire economy of Bangladesh.

The relationship between accounting system and the other factors such as political, economic, taxation, financial system and foreign investors are influencing accounting system internally and externally. The accounting system of Bangladesh must be developed by following regulating bodies' rules and regulations. Then the other factors related to accounting system will also be improved.

To prepare the financial report all listed companies should follow the IFRSs and IASs. It can be recommended that two experienced and old professional bodies ICAB and ICMAB should be more empowered not only to monitor its existing responsibilities but also to plan to create greater impact. It is possible through innovation like organizing training for the company accountants, financial officers and related personnel to mitigate gap between the standards and the practice.

FRC could be a good aid to support ICAB and ICMAB and it should start its operation soon with a full package of support and solutions. The government should make enforceable law to compliance accounting report with adopted standards by all listed companies, foreign and financial institutions. For the global acceptance in accounting sectors the large companies should increase the ratio to work with software base.

The culture of Bangladesh is playing an important role to influence accounting rules and practices especially by the high-power distance. To ensure the practice of accounting standards especially disclosure and measurement practice the authority of organization should change their behavior by avoiding the high power distance. For the development of accounting system in Bangladesh the accounting profession should be self regulated. Accountants also should maintain professional judgment with high standards to make ethical decision even need to face unknown fact. Culture is not changeable in faster way it will change day by day but accounting system of Bangladesh is possible to change by ensuring the improvement of entire system regarding accounting.

The best result can be achieved when the regulating bodies for example BSEC, Bank, Chief controller of insurance and the regulated bodies ICAB, ICMAB will work together by encouraging the firms to compliance with IASs and IFRSs without inequity power.

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APPENDICES

Appendix 1: The key features of Bangladesh's economy

The key features of Bangladesh's economy are

- Annual GDP growth of Bangladesh economy in 2017–2018 is 7.65% according to Bangladesh Bureau of Statistics;
- Inflation has been kept in single-digit figures;
- Main industries - Jute, cotton, garments, leather, paper, fertilizer, iron and steel, cement, petroleum products, tobacco, pharmaceuticals, ceramics, tea, salt, sugar, electricity, natural gas, edible oils etc.;
- Export goods - Garments, knitwear, agriculture products, frozen goods, leather, jute and jute goods;
- Import goods - Cotton, machinery and equipment's, chemicals, iron and steels, food stuffs;
- Emphasis has been placed on manufacturing and IT sector;
- Currency of Bangladesh is Taka.

Appendix 2: Cultural Influences on Accounting system of Bangladesh

Questionnaire: Survey among Bangladesh's accountants and accounting students

Dear respondent,

I am Nasrin Islam. As a student of Tallinn University of Technology, is carrying out survey among Bangladesh's accountants and accounting students. Your responses will provide important information to evaluate opinions of accountants and accounting students of Bangladesh. This questionnaire is part of a master thesis, which investigation the cultural influences on accounting system of Bangladesh.

It takes approximately 15-20 minutes to fill in the questionnaire. The anonymity of all respondents is guaranteed. The questionnaire is open until august 20, 2018.

Kind regards,

Nasrin Islam (Master student),

Tallinn University of Technology, Tallinn school of Economics and Business Administration.

Ph.D Lehte Alver,

Tallinn University of Technology, Tallinn school of Economics and Business Administration.

1. General Information

- Male
- Female

2. Age

- Below 29 years
- 30-34 years
- 35-39 years
- 40-49 years
- 50 years and over

3. Your main field of activity

- Practicing Accountants
- Bank loan officers
- Non-practicing accountants

- Financial analysts
- Managers
- Students
- others

4. Work experience in your field of activity

- None
- Up to 12 months
- 2 years or more

5. Profits and assets should be valued downwards in case of doubt.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

6. Depreciation rules should be set externally, specifically for separate groups of assets.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

7. Financial statements should be available to the general public rather than just to shareholders and managers.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

8. Accounting profession should be self-regulated.

- Strongly agree
- Agree
- Neither agree nor disagree

- Disagree
- Strongly disagree

9. Market values are generally less relevant than historic costs.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

10. Financial statements of all companies should have standardized formats.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

11. Only a minimum amount of detailed data should be included in financial statements.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

12. Professional accountants are the best judges of how to measure a firm's financial position and performance.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

13. Market values should be generally used instead of historic costs.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

14. Accounting policies once chosen should not be changed.

- Strongly agree
- Agree
- Neither agree nor disagree

- Disagree
- Strongly disagree

15. Information about management and owners should not be included in financial statements.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

16. Professional accountants are the best judges of what to disclose in financial statements.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

17. In times of rising prices LIFO instead of FIFO should be used in calculations as estimates.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

18. The level of detailed standardization in financial statements should be increased.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

19. Management forecasts should be included in financial statements.

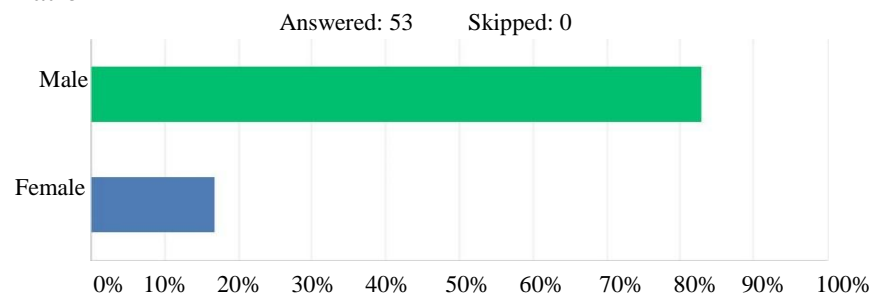
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

20. Professional accountants should maintain high standards of ethical conduct.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Appendix 3: The results of survey

Q1 General Information



ANSWER CHOICES	RESPONSES	
Male	83.02%	44
Female	16.98%	9
TOTAL		53

Q2 Age

Answered: 51 Skipped: 2



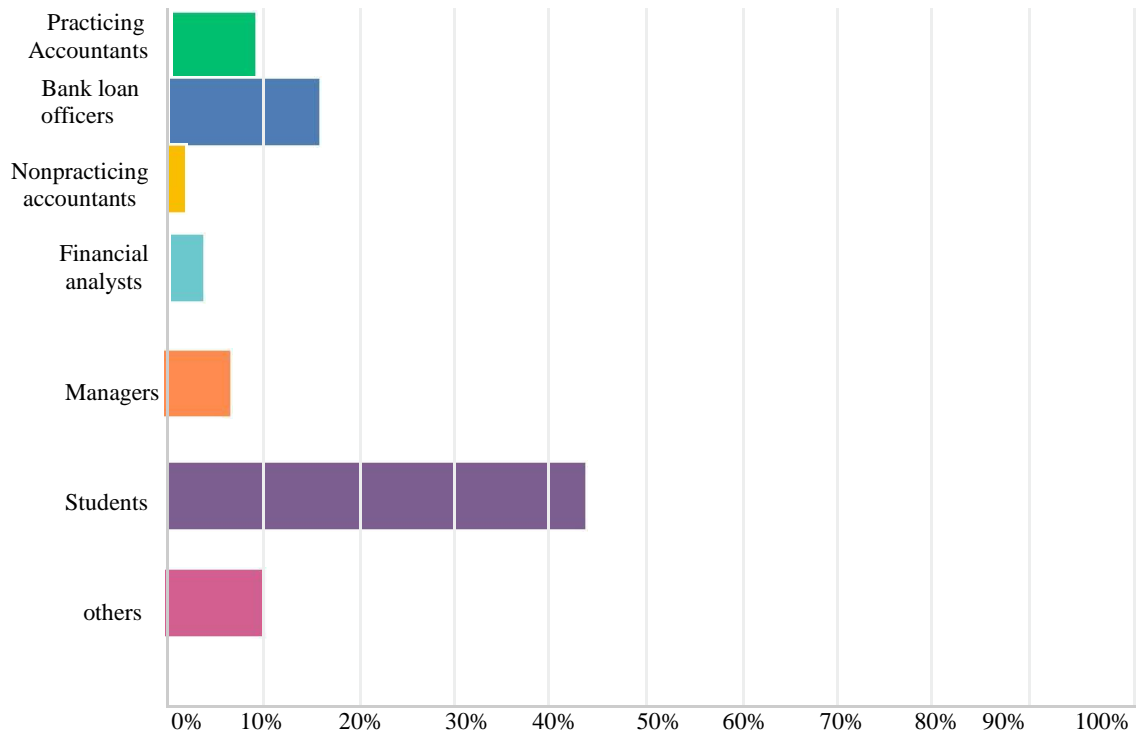
Below 29 years
 30-34 years
 35-39 years
 40-49 years
 50 years and over

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

ANSWER CHOICES	RESPONSES	
Below 29 years	86.27%	44
30-34 years	7.84%	4
35-39 years	1.96%	1
40-49 years	3.92%	2
50 years and over	0.00%	0
TOTAL		51

Q3 Your main field of activity

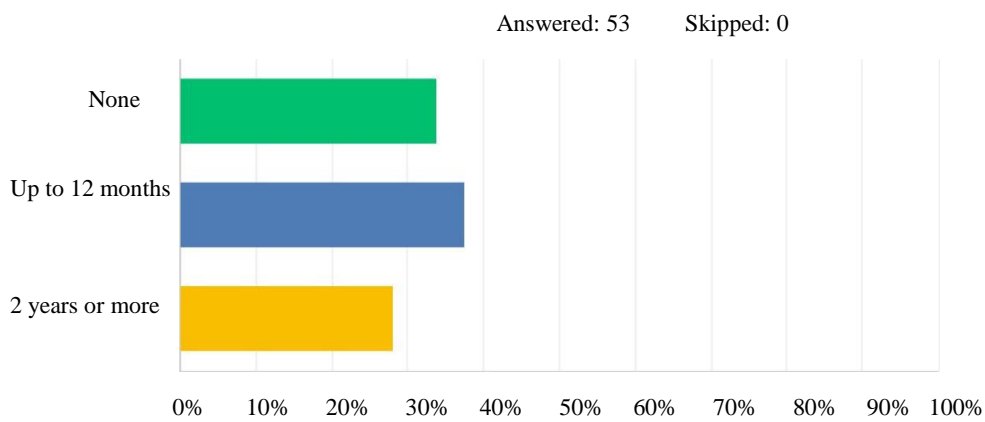
Answered: 52 Skipped: 1



ANSWER CHOICES	RESPONSES	
Practicing Accountants	9.62%	5

Bank loan officers	17.31%	9
Nonpracticing accountants	1.92%	1
Financial analysts	3.85%	2
Managers	7.69%	4
Students	48.08%	25
others	11.54%	6
TOTAL		52

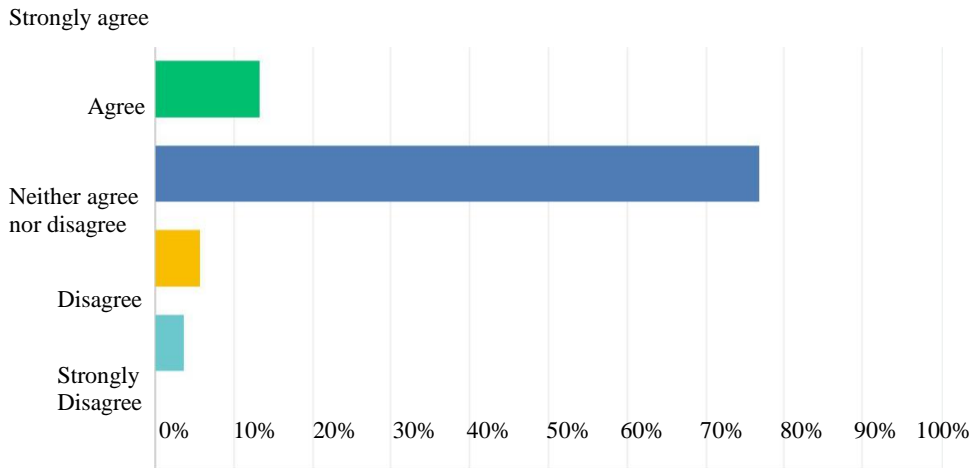
Q4 Work experience in your field of activity



ANSWER CHOICES	RESPONSES	
None	33.96%	18
Up to 12 months	37.74%	20
2 years or more	28.30%	15
TOTAL		53

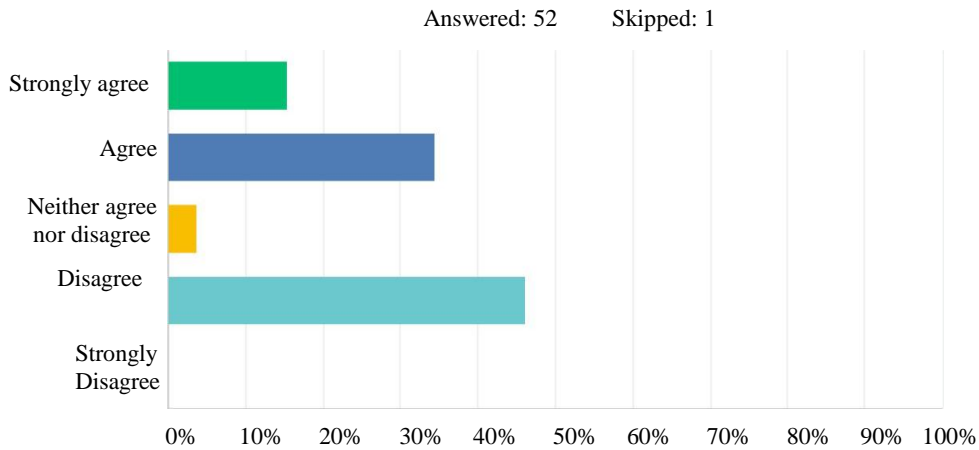
Q5 Profits and assets should be valued downwards in case of doubt.

Answered: 52 Skipped: 1



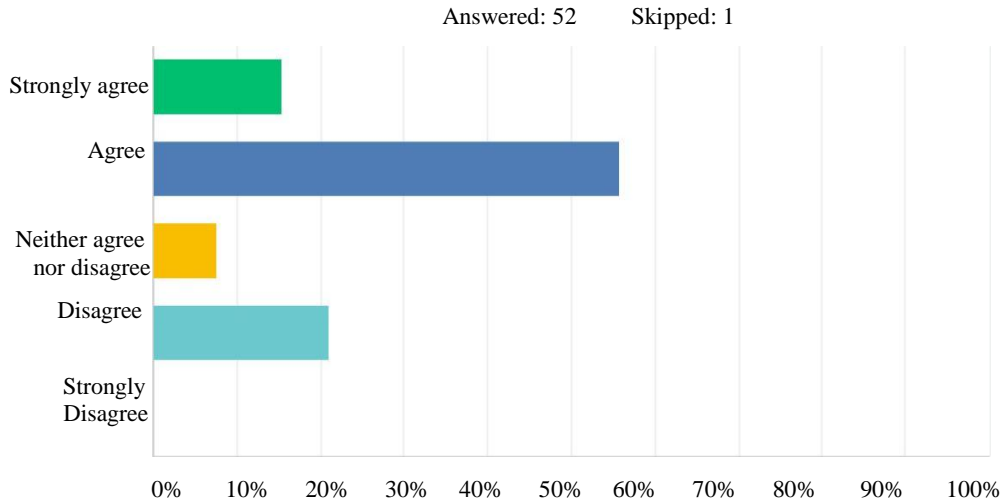
ANSWER CHOICES	RESPONSES	
Strongly agree	13.46%	7
Agree	76.92%	40
Neither agree nor disagree	5.77%	3
Disagree	3.85%	2
Strongly disagree	0.00%	0
TOTAL		52

Q6 Depreciation rules should be set externally, specifically for separate groups of assets.



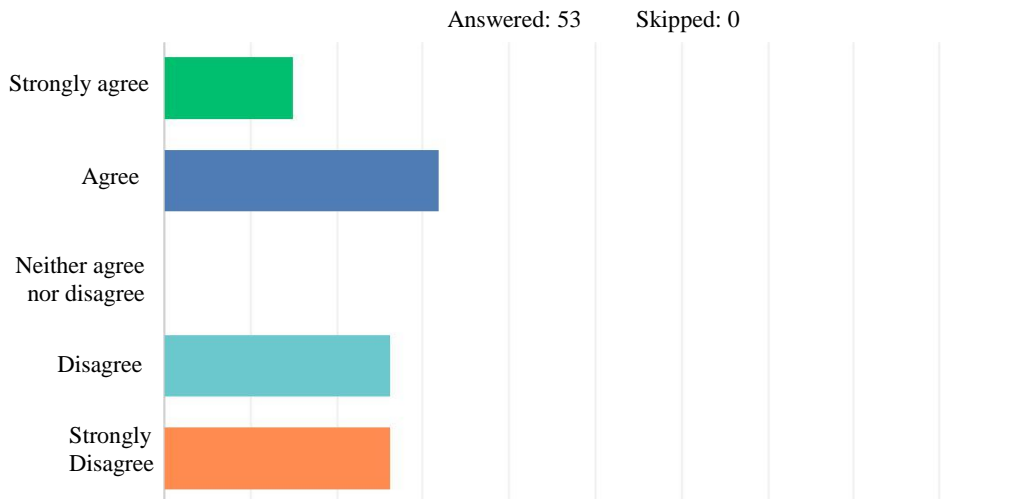
ANSWER CHOICES	RESPONSES	
Strongly agree	15.38%	8
Agree	34.62%	18
Neither agree nor disagree	3.85%	2
Disagree	46.15%	24
Strongly disagree	0.00%	0

Q7 Financial statements should be available to the general public rather than just to shareholders and managers.



ANSWER CHOICES	RESPONSES	
Strongly agree	15.38%	8
Agree	55.77%	29
Neither agree nor disagree	7.69%	4
Disagree	21.15%	11
Strongly disagree	0.00%	0
TOTAL		52

Q8 Accounting profession should be self-regulated.

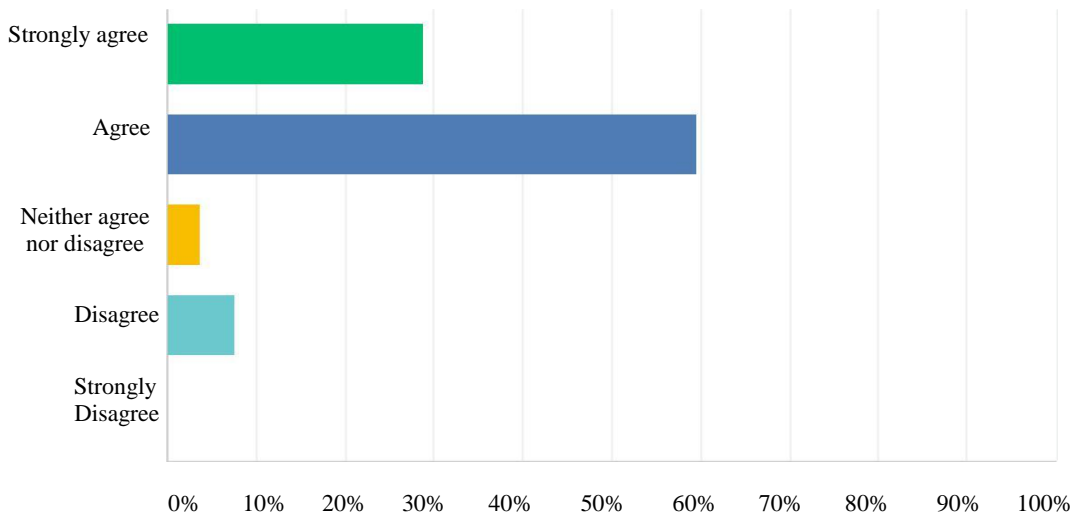


0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

ANSWER CHOICES	RESPONSES	
Strongly agree	15.09%	8
Agree	32.08%	17
Neither agree nor disagree	0.00%	0
Disagree	26.42%	14
Strongly disagree	26.42%	14
TOTAL		53

Q9 Market values are generally less relevant than historic costs.

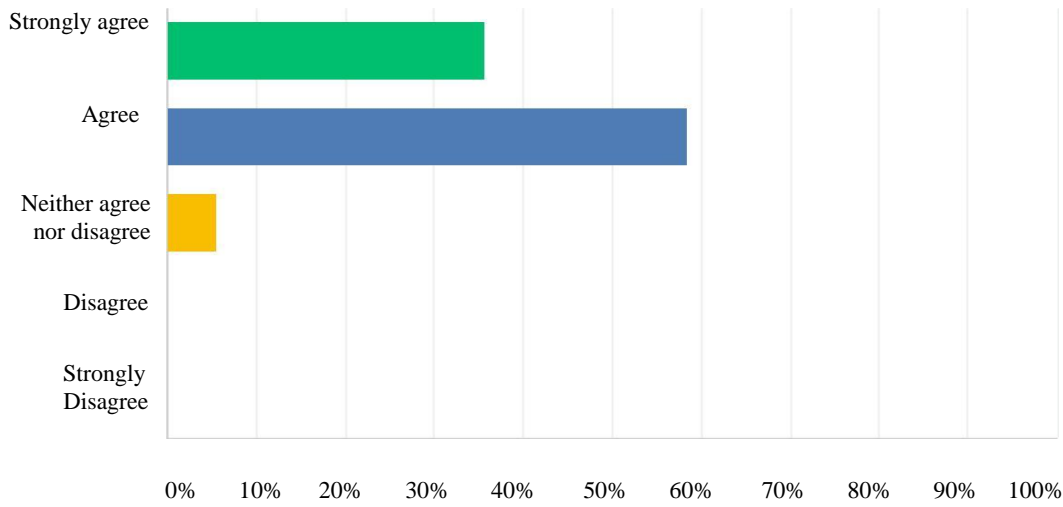
Answered: 52 Skipped: 1



ANSWER CHOICES	RESPONSES	
Strongly agree	28.85%	15
Agree	59.62%	31
Neither agree nor disagree	3.85%	2
Disagree	7.69%	4
Strongly disagree	0.00%	0
TOTAL		52

Q10 Financial statements of all companies should have standardized formats.

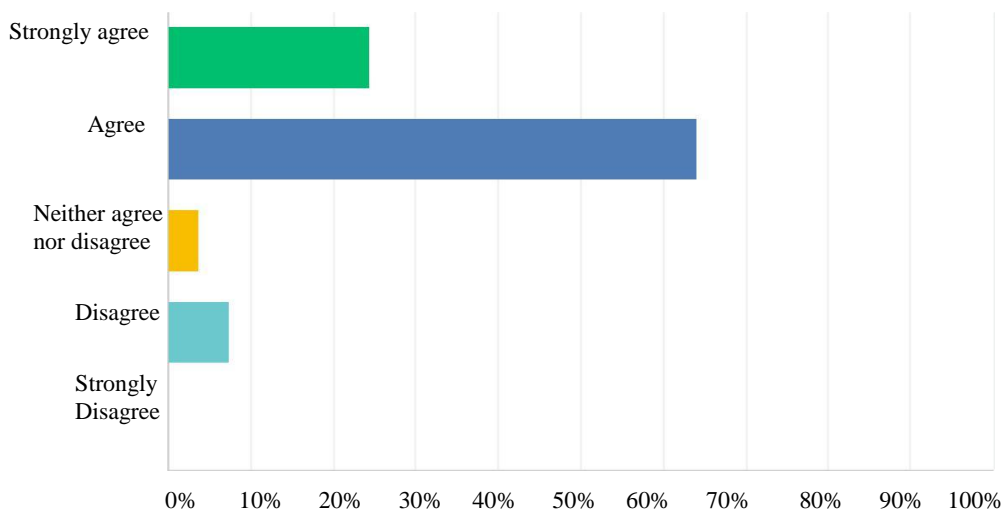
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	35.85%	19
Agree	58.49%	31
Neither agree nor disagree	5.66%	3
Disagree	0.00%	0
Strongly disagree	0.00%	0
TOTAL		53

Q11 Only a minimum amount of detailed data should be included in financial statements.

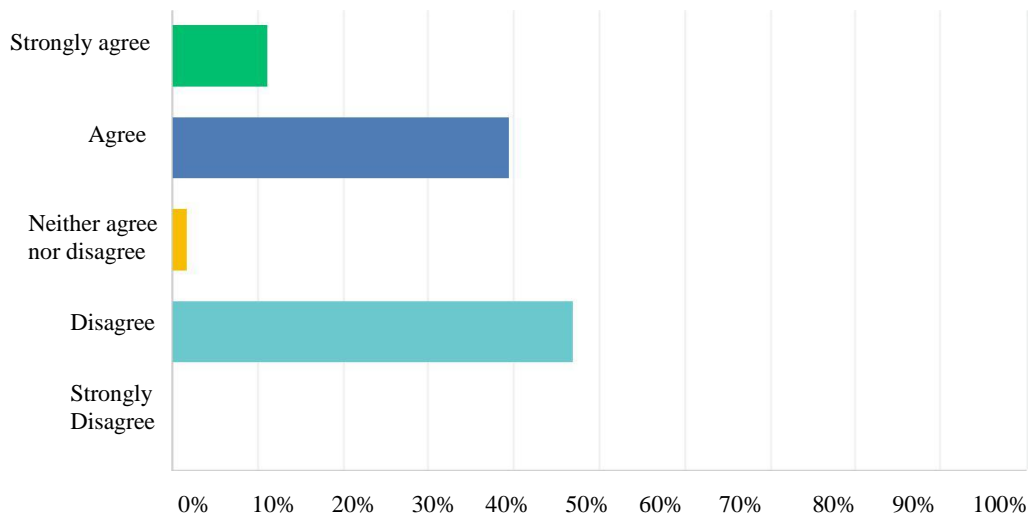
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	24.53%	13
Agree	64.15%	34
Neither agree nor disagree	3.77%	2
Disagree	7.55%	4
Strongly disagree	0.00%	0
TOTAL		53

Q12 Professional accountants are the best judges of how to measure a firm's financial position and performance.

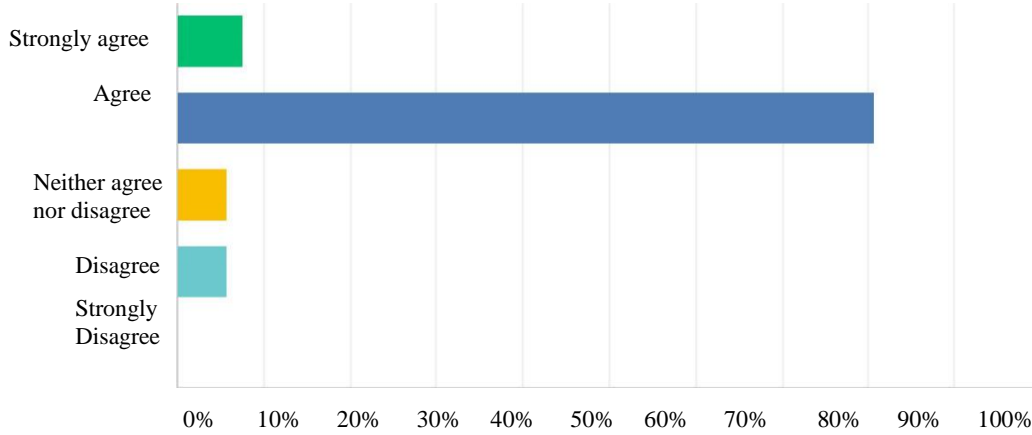
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	11.32%	6
Agree	39.62%	21
Neither agree nor disagree	1.89%	1
Disagree	47.17%	25
Strongly disagree	0.00%	0
TOTAL		53

Q13 Market values should be generally used instead of historic costs.

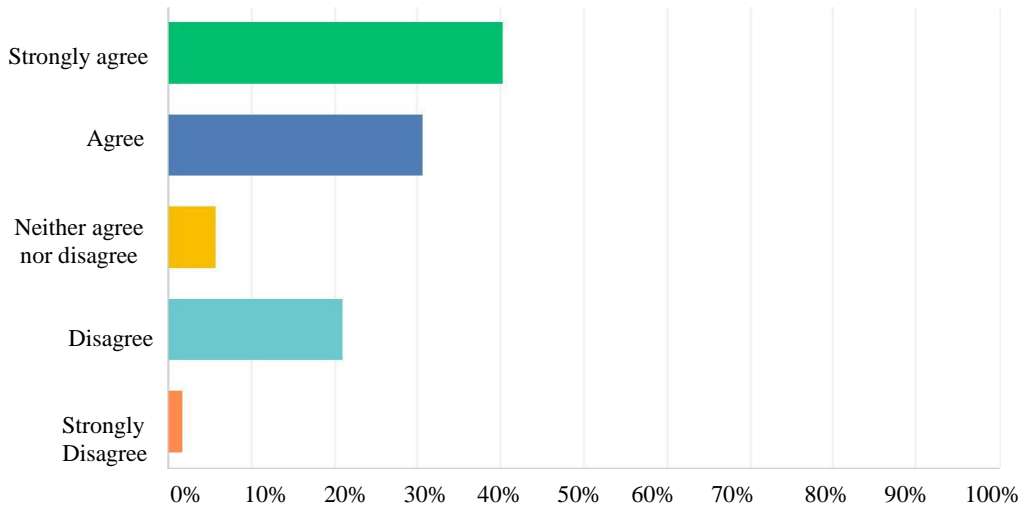
Answered: 52 Skipped: 1



ANSWER CHOICES	RESPONSES	
Strongly agree	7.69%	4
Agree	80.77%	42
Neither agree nor disagree	5.77%	3
Disagree	5.77%	3
Strongly disagree	0.00%	0
TOTAL		52

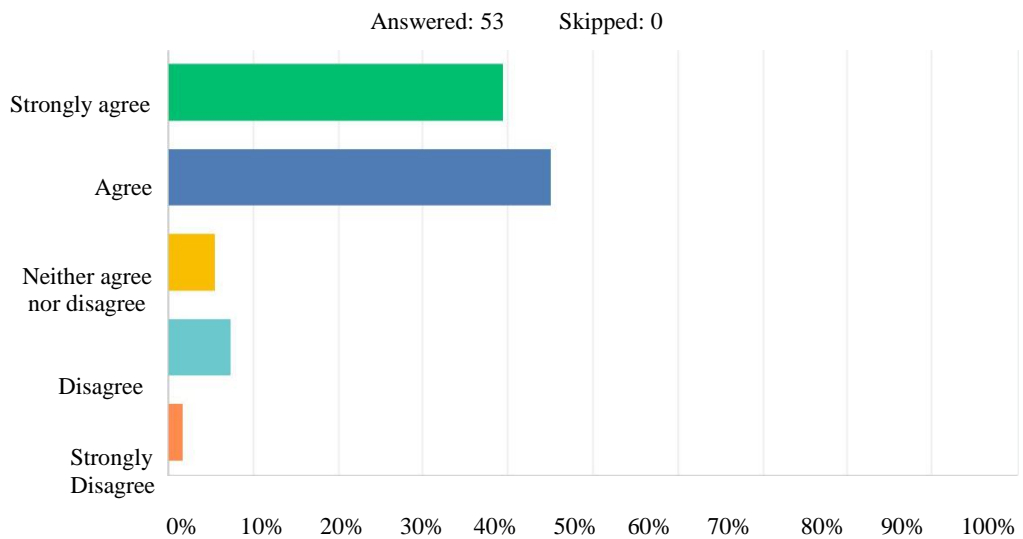
Q14 Accounting policies once chosen should not be changed.

Answered: 52 Skipped: 1



ANSWER CHOICES	RESPONSES	
Strongly agree	40.38%	21
Agree	30.77%	16
Neither agree nor disagree	5.77%	3
Disagree	21.15%	11
Strongly disagree	1.92%	1
TOTAL		52

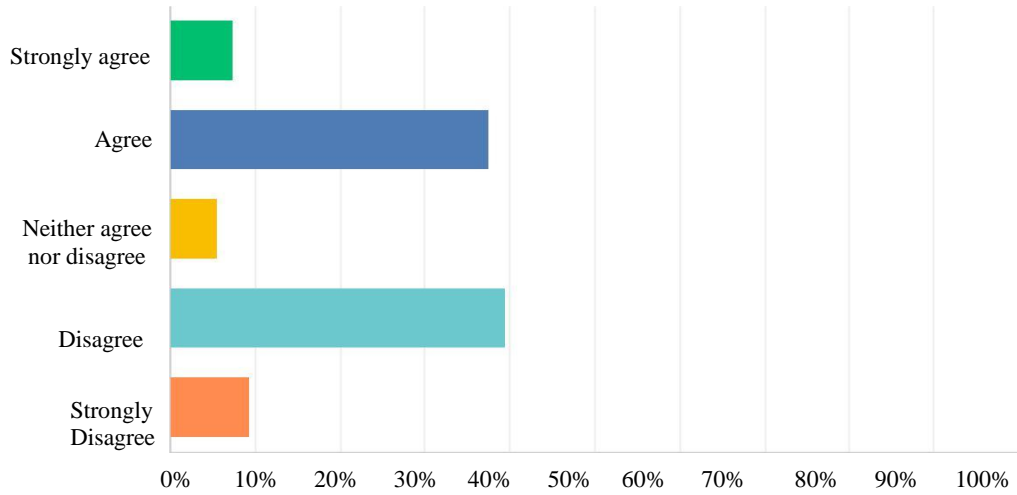
Q15 Information about management and owners should not be included in financial statements.



ANSWER CHOICES	RESPONSES	
Strongly agree	39.62%	21
Agree	45.28%	24
Neither agree nor disagree	5.66%	3
Disagree	7.55%	4
Strongly disagree	1.89%	1
TOTAL		53

Q16 Professional accountants are the best judges of what to disclose in financial statements.

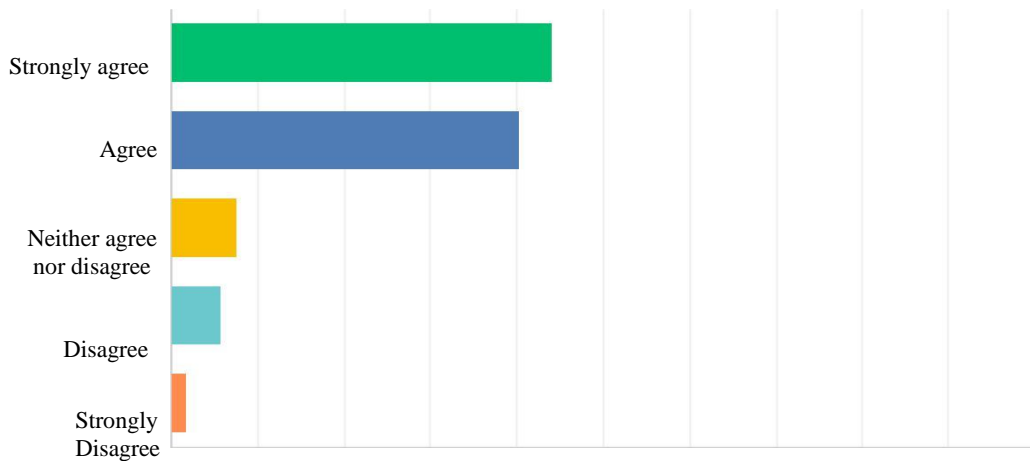
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	7.55%	4
Agree	37.74%	20
Neither agree nor disagree	5.66%	3
Disagree	39.62%	21
Strongly disagree	9.43%	5
TOTAL		53

Q17 In times of rising prices LIFO instead of FIFO should be used in calculations as estimates.

Answered: 52 Skipped: 1

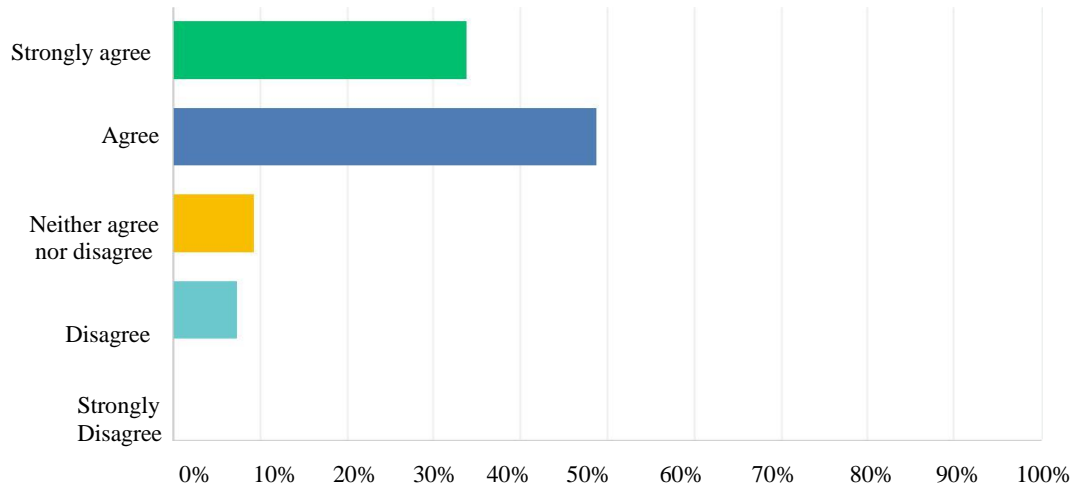


0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

ANSWER CHOICES	RESPONSES	
Strongly agree	44.23%	23
Agree	40.38%	21
Neither agree nor disagree	7.69%	4
Disagree	5.77%	3
Strongly disagree	1.92%	1
TOTAL		52

Q18 The level of detailed standardization in financial statements should be increased.

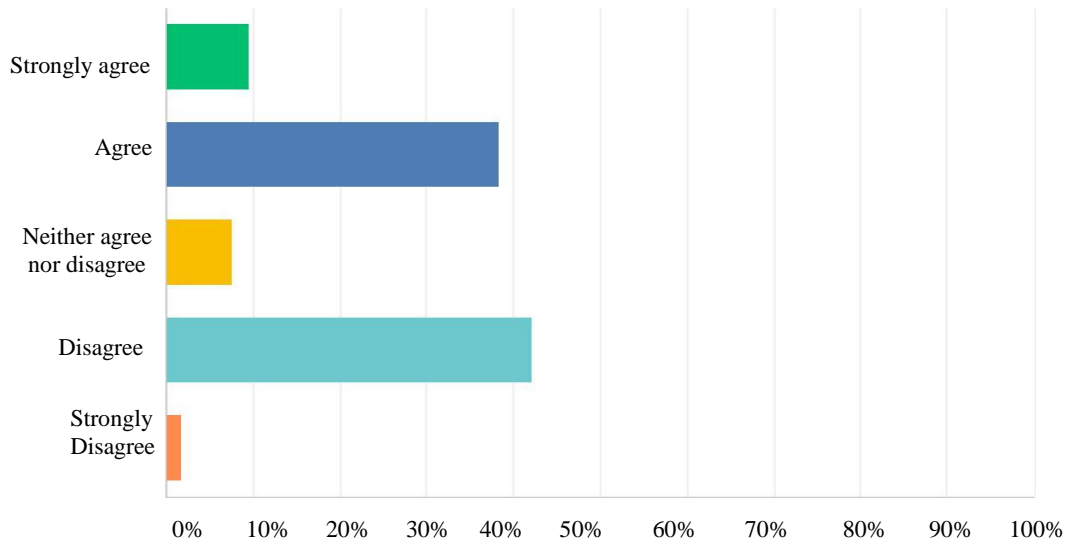
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	33.96%	18
Agree	49.06%	26
Neither agree nor disagree	9.43%	5
Disagree	7.55%	4
Strongly disagree	0.00%	0
TOTAL		53

Q19 Management forecasts should be included in financial statements.

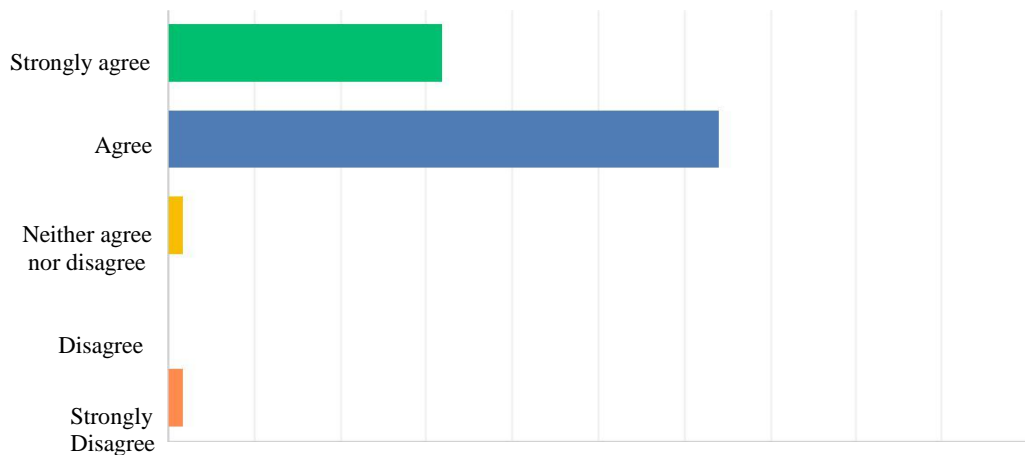
Answered: 52 Skipped: 1



ANSWER CHOICES	RESPONSES	
Strongly agree	9.62%	5
Agree	38.46%	20
Neither agree nor disagree	7.69%	4
Disagree	42.31%	22
Strongly disagree	1.92%	1
TOTAL		52

Q20 Professional accountants should maintain high standards of ethical conduct.

Answered: 53 Skipped: 0



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

ANSWER CHOICES	RESPONSES	
Strongly agree	32.08%	17
Agree	64.15%	34
Neither agree nor disagree	1.89%	1
Disagree	0.00%	0
Strongly disagree	1.89%	1
TOTAL		53