The extent of the application of the Jordanian public shareholding companies listed on the Amman Stock Exchange with the requirements of revenue recognition of international accounting -Standard 18

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Abstract— The study aimed to identify the measurement of accounting and the recognition of the terms of revenue according to the International Accounting Standard 18 , and consists study population consisted of internal auditors in the Jordanian Public Shareholding industrial companies were distributed to 45 identifying the internal auditors were used methods of statistical such as alpha test and percentages and averages. The most important findings of the study : that of joint stock companies apply the foundations of accounting measurement by standard 18 as it applies the rules of revenue recognition in the financial statements. The most important findings of the study : the need to adopt the fair value as the basis for the recognition of revenue , and the need for the application of this study on the services sector , and the need to conferences that illustrate the advantages of the application of international accounting standards work.

***Index Terms*—: Revenue , Revenue Recognition , Industrial Companies , measurement**

I. Introduction

The industrial companies on the change in the form of raw materials to increase their value and make them more suitable for human needs and requirements, and highlights the importance of being in the industry raise the living standards of people in the capital attended and provided the well-being of man. It is also revenue that occurs during the accounting period, an increase in the economic benefits that take the form of flows within the enterprise or an increase in assets or decrease in liabilities that result in a corresponding increase in equity. The main issue is also considered in accounting for revenue is determining the timing of revenue recognition and revenue is recognized when the probability of Industrial Company for the economic benefits in the future likely to happen, to be a measure of these benefits as far as reliability. Therefore, this study was to examine the extent of the application of industrial public shareholding to the principles and rules of accounting recognition of the companies according to international accounting standards. .

II. Study the problem and its elements

Study the problem lies in the attempt to answer the following question: What is the commitment to contribute to industrial companies and the methods of measurement of revenue recognition by the international accounting standards?

Therefore, the elements of the problem of the study

1. Does the Jordanian industrial companies listed on the Amman Stock Exchange to measure revenue at fair value according to IAS 18 standard?
2. Do Jordanian industrial companies listed on the ASE is committed to the terms of the recognition of revenues according to the International Accounting Standard 18 requirements
3. Is industrial companies listed on the ASE is committed to the disclosure requirements according to the International Accounting Standard 18

III. Hypotheses of the study

1. Industrial companies are not listed on the Amman Stock Exchange applying the measurement of fair value accounting methods for the recognition of revenue as the international standard 18
2. Jordanian industrial companies listed on the Amman Stock Exchange does not apply the conditions of revenue recognition by the international standard requirements 18
3. Industrial companies listed on the Amman Stock Exchange disclosure requirements do not apply according to the International Accounting Standard

IV. Objectives of the study

This study is trying to achieve the following goals

1. identify the degree of application of accounting basis for the recognition of revenue by the International Accounting Standards
2. Learn how to apply the Jordanian industrial companies on the disclosure in the financial statements on the Ways of revenue recognition
3. identify the general concepts of revenue and revenue recognition and measurement methods of accounting for revenue

The importance of studying

The importance of the study of the following

1. The revenues represent the main objective of each entity , whether the facility industrial or service to the fact that revenue is a source of survival and competition in the market

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2. The revenues represent the backbone of the activity of industrial companies ; it also represents the focus of the management and shareholders alike on the grounds TTM are the best tools for measuring the performance of managers
3. The industrial companies are considered to be expenses are huge amounts in capital expenditures or expenses or resource , and this is a major cause of the interest of industrial companies revenues in order to cover the expenses and achieve the required return to shareholders

V. The study methodology

The study use of deductive approach and inductive approach to access to information , so that is the inductive method books and references and previous studies the subject of study , deductive are either side by designing a questionnaire containing variables and assumptions of the study

Society and the study sample

The study population of public shareholding listed on the Amman Stock Exchange of industrial companies and number 73 industrial company according to the ASE publications Securities, either the study sample consists mainly includes auditors internal in the Jordanian Public Shareholding industrial companies, so that was limited to the preparation of internal auditors in the public shareholding industrial companies and was 98 auditor's internally.

VI. Previous studies

1. Abu Rumman study (2014) entitled "The impact of the standard on revenue recognition accounting problems in contracting Jordanian companies . [1]

This study aimed to identify the role of revenue recognition to solve accounting problems faced by accountants in the Jordanian contracting companies . The researcher adopted the descriptive approach in collecting data for the study , a questionnaire was distributed to 198 accountants and financial managers in 50 contractor Jordanian , was the use of statistical analysis were used frequencies, percentages and averages. The most important findings of the study : the existence of low degree for the application of the standard revenue recognition in the Jordanian contracting companies . It is the most important recommendations of the study : the need to apply the international standard No. 11 and International Standard No. 18 , and the work timetable to clarify the mechanism of implementation of construction contracts

2. Kilani, Hafez study .(2009) entitled "The role of international accounting standards in the development accounting information system - analytical study of the role of the International Accounting Standard first in the development of accounting information systems output for the purposes of borrowing "[2]

The study aimed to highlight the deficiencies in the accounting information system in the absence of accounting standards , and to highlight the impact of these standards , particularly IAS first increase in the quality of accounting information systems outputs , . The study found several results related to the limitations of accounting information systems in the absence of accounting standards governing the operation and determine the choice of accounting policies and mechanism. And it made some proposals which manifested itself in the work on the adoption of International Accounting Standard first in the presentation of financial reports previews as a preliminary step to help the financial community to recognize the shape of financial reporting in accordance with the practice prevailing global, for this standard of high capacity of disclosure work on the rehabilitation of the accounting staff through seminars standard tariff and its role, and more emphasis on the teaching of International Financial Reporting Standards in colleges and institutes to equip cadres capable of dealing with the standards and link them to the practical reality

3. Zayoud .latif study (.2005) entitled " Proposed Model for the measurement and distribution of the income of people in companies. [3]

This study aimed to shed light on the measure as a result of activity in the corporate people and try to develop it to suit the development of accounting thought (that is commensurate with the accounting theory). . With attempting to overthrow the conceptual framework of the theory of accountability for the accounting treatment of the events and financial operations and try to be classified according to the period achieved before or after determining the outcome of activity and the separation between the income measure and distribution in addition to the disclosure of the concepts as a result of different activity (gross profit, ordinary profit, profit destruction, profit prepared distribution) in order to measure the distribution of hand and the opportunity to achieve the principle of symmetry and portability accounting data to compare the economic units, regardless of their legal form unification. The study concluded that the difference between the proposed model the old model is reflected in the stage of determining net profits resulting from the main activity of the company where postpone the proposed model treatment benefits partner loan to the second stage of the preparation of the profit and loss account any stage determine the overall profit in line with the recommendations of the professional academies accounting terms these benefits are considered unusual expense resulting from the non- investment funds , which lends itself to achieve the principle of symmetry and portability accounting data for comparison away from the impact of the legal form of the company

4. Dhabi study . (2007) entitled "The extent of the application of international accounting standards in Syria. [4]

The study aimed to the statement of the necessities of the application of international accounting standards in Syria in general and the extent of its application and the statement of the constraints that limit their applicability , The study concluded that the application of international accounting standards faced by inter obstacles including: economic constraints reflected in the monetary and fiscal policy, foreign policy and the policy of exchange, and the unavailability of appropriate to encourage investment in the private sector conditions, and environmental obstacles was the lack of law firms or law to trade in line with the application of standards International accounting, and the spread of family businesses and overwhelmed on joint-stock companies, and the existence of tax laws that do not fit into their practices with international accounting

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standards practices, and educational obstacles is the different degrees of professional development and differing scientific and practical legal training for auditors and accountants.

The current study differ from previous studies

1. This study is based on the study of the foundations of measurement accounting for revenue of industrial companies by the concept of fair value
2. This study focuses on the ways of accounting disclosure in the financial statements in the presentation and the inclusion of revenue in the income statement according to the International Accounting Standard 18 requirements
3. This study focused on measuring the commitment of the Jordanian industrial companies requirements of the accounting recognition of revenues according to the international standard 18

VII. THE THEORETICAL FRAMEWORK OF THE STUDY

The concept of revenue

1. Revenue is the total flow of economic benefits over the period and that results from the normal course of the business activity. That's when those flows lead to increased net equity Unlike the increase resulting from the contribution of owners. [5]
2. Income: what has been achieved is established from the sale of goods or services (by facility type) both hit it or not. . [6]
3. Income: is what you get as a result of the state-owned to a range of public assets or private . . [7]
4. knows that the inside of revenue flow , which leads to an increase in the assets of the enterprise or to the shortage of liabilities , or both as a result of the sale of goods or the provision of services , as well as flows resulting from the use of assets of the entity such as rent and interest income during year . [8]
5. The revenue is a measure of the accounting received the assets from the sale of goods and provision of services, measured in revenue for cash or the equivalent in value to of something the recipient in exchange for goods and services sold, and also includes gains from the sale or exchange of assets of non-cash, in addition to the profits resulting from adjustments lucrative obligations.And the general rule that the income is recognized at the point of sale (delivery) has recognized upon receipt of the price or when production or after the point of sale. There are two conditions for the recognition of revenue (1) that have been achieved or verifiable (Realized of Realizable) and (2) that it has acquired (Earned) and revenue recognition process is bouncing his transactions in the accounting records . [8]

From the above can be defined as a revenue source of the main sources for any facility achieved through an increase in economic benefits during the period of the normal activities of the entity , whether from the sale of goods or the provision of services.

Characteristics of revenue

You can select the following qualities of revenue : [9]

1. The increase in assets or a lack of commitment or both give rise to revenue and that from behind the activities designed to make a profit.
2. that the revenue produced by the main activities may be continuous production and sale of goods or the provision of services or other activities in the framework of regular major activities ongoing
3. As long as the revenue increase lead to a lack of assets or liabilities must be that the assets properties and characteristics of the obligations on the increase or decrease apply
4. revenue is linked to a particular time period
5. Revenues are considered verifiable assets when they are received or suspended can be replaced immediately in cash or cash commitment .

Notes from the foregoing that the revenue is the main activity that supports it purchases, as that is an important source of revenue to pay off the debt facility

Terms of revenue recognition

The revenue recognition process according to the international standard of 18 require the following : [10]

1. The need for the process of creating revenue completeness and the possibility of conversion to cash and cash equivalents to provide an acceptable level of making sure
2. Revenue is not recognized in the case of exchange of goods or services or similar transaction was lacking in substance
3. to provide a service or delivery sales
4. there is a real trade-off between the facility and third-party process
5. provide all the documents that prove the process Revenue
6. transmission of the risks and benefits of the sold item and the seller to the buyer
7. Revenue recognition in the case of exchange of goods and services and the different treatment of the core business

Measuring revenue rules

1. The amount of revenue is measured at the fair value of the consideration received or receivable for the facility , taking into account the value of any trade discount or discount amount allowed by the facility.
2. n most cases, takes the opposite monetary form or the like and be a revenue value is the amount received or receivable from cash or equivalents When, however, postpone the inflow of cash or cash equivalents , the fair value of the consideration may be less than the cash value received, actually or owed
3. When barter goods or services to goods or similar services both in terms of the nature or terms of the value of the items are not considered a productive deal of revenue that often happens for commodities such as oil or milk where the producers to swap invasive them in different locations with a view to satisfying the demand for in time In the right place

The conditions and requirements to disclose the revenue according to the international standard 18 [11]

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1. The accounting policies used in revenue recognition , including those methods used in determining the stage of completion of the transactions relating to the provision of services
2. The value of each significant type of revenue that is recognized during the period including revenue resulting from : the sale of goods , the provision of service , interests , and stock returns
3. The amount of revenue resulting from the swap of goods or services included in each significant category of revenue

The importance of revenue

Lies the importance of the revenue to finance the expenses and deficiencies in the collection operations during the year could lead to disruption of business due to the completion of the necessary cash shortage and on the contrary , the effectiveness of revenue collection process reduces reliance on loans during the year. And the importance of seeking revenue of the entity based on the physical evidence objectively. And is a major source of revenue and the company constantly carry out their work .(Elliot , 2003) [12]

Validity and reliability of the tool

A test of credibility Alpha (Alpha) in order to find out the degree of internal consistency (consistency) between the responses of respondents to the questionnaire, and can Alpha interpreted as a correlation coefficient between the answers, and therefore, the Alpha value can range between zero and 1 and the value of Alpha accepted statistically It is at least 60% for the dissemination of the results [13] . I've found credible analysis that the alpha value of the questionnaire in general amounted to 74%, and learned from that value the possibility of circulating the results of the study as it represents a significant proportion and the value is greater than the minimum value of the alpha accepted statistically significant at the level of hypotheses in general, and the level of each hypothesis. Questionnaires were distributed to the internal auditors and number 61 was the identification of recovery and identification of 45 was the recovery ratio of 74%

Base decision-making

have been using the system for the five- Likert each paragraph so that there are five choices for it and for the purposes of statistical analysis was given to the following symbols resolution options :more agree 5 , agree 4 , neutral 3 , not agree 2 ,and most not agree 1

Therefore, the central premise is the number 3 was find him an average of the previous options (5 +4 +3 +2 +1) / 5 .

Description study sample

Table (1) of the study sample according to years of experience:

Title	Frequencies	Percentages
Less than 5 years	26	%57
5-less than 10 years	7	%15
10-less than 15 years	5	%11
15 years and more	7	%15
Total	**45**	**%100**

Notes from Table 1 that the majority of the members of the study sample individuals who experience less than 5 years with note that the rest of the groups in similar proportions

Table (2) of the study sample by qualification

Title	Frequencies	Percentages
College	7	%15
University	28	%62
Post graduates	10	%22
Total	**45**	**%100**

Notes from Table 2 that the vast majority of the study sample individuals with qualified scientific majoring in accounting and this is a positive sign about the validity and reliability of study tool which may reflect on the credibility of the findings and recommendations of the study

Table(3) sample study by scientific specialization

Title	Frequencies	Percentages
Accounting	23	%51
Economic and management	7	%15
Accounting information system	15	%33
Total	**45**	**%100**

Notes from Table 3 that the vast majority of members of the study sample are allocated to accounting and proportion, followed by specialty Accounting Information Systems This is a positive indicator of the sincerity of the results of the study

VIII. Discuss the hypotheses of the study with statistical results

The first hypothesis is "Industrial companies are not listed on the Amman Stock Exchange applying the measurement of fair value accounting methods for the recognition of revenue as the international standard 18

Table (4) the performance of the study sample paragraphs first hypothesis

N	Title	average	S.D	Rank
1	The amount of revenue is measured at fair value of the consideration received or receivable for the facility , taking into account the value of any trade discount or discount amount allowed by the established	3.7	0.45	1
2	Revenue is recognized when the probability of Industrial Company for the economic benefits in the future likely to happen to be the measure of these benefits as far as reliability.	3.6	0.67	2
3	It represents the amount of revenue the amount received or receivable from cash or equivalents	3.2	0.49	3
4	When the sale of goods or the provision of services for the swap goods and services is similar swap This is a productive deal of revenue and revenue is measured at the fair value of the commodity	3.2	0.79	4
Average		3.41		

Notes from Table 4 that the study sample confirms that the first paragraph represent the greatest degree measurement

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application in industrial companies with an average of 3.7 , and it shows the average of the ratios corresponding to strongly approved in the table and this paragraph , represented by measuring the amount of revenue at the fair value of the consideration received or receivable for the facility , taking into account the value of any trade discount or discount amount allowed by the facility. This shows that there is a fair value applied when measuring revenue in the Jordanian industrial companies, It also notes that the second paragraph there is a degree of acceptance second with an average of 3.6 , higher than the central premise 3 and the recognition of revenue when the probability of Industrial Company for the economic benefits in the future likely to happen to be the measure of these benefits as far as reliability. It also notes that the average hypothesis is 3.4 higher than the central premise 3 and this shows that the internal auditors assert that the Jordanian industrial companies are using the foundations of measurement and recognition of accounting for revenue by the International Accounting Standards

Second hypothesis is "Jordanian industrial companies listed on the Amman Stock Exchange does not apply the conditions of revenue recognition by the international standard requirements 18

Table (5) the performance of the study sample paragraphs second hypothesis

N	Title	average	S.D	Rank
1	Revenue verifiable considered assets when they are received or suspended can be replaced immediately in cash or cash commitment	3.4	0.78	2
2	It can be recognized as revenue in the event of the exchange of different goods and services and the commercial substance of the transaction	3.6	0..52	1
3	Terms of revenue provide all the documents that prove the process Revenue	3.4	0.81	3
4	The amount of revenue is measured at fair value in return received or receivable for the facility , taking into account the value of any trade discount or discount amount allowed by the established	3.3	0.59	4
Average		3.43		

Notes from Table 2 that the second paragraph represent the highest degree of acceptance or application in the opinion of the study sample with an average of 3.6 higher than the average premise 3 and paragraph represented by the possibility of the recognition of revenue in case the exchange of goods and various services and have treated the core business and this indicates the presence of an external exchange with the accounting process which means the presence of an external exchange for the recognition of revenue, also notes that the first paragraph and the third represent the degree of acceptance the second with an average of 3.4 and norms Revenue verifiable reliable manner and the presence of all the supporting documents for the sale process. It also notes that the average hypothesis is 3.4 higher than the central premise 3 and these shows that the study sample confirms the existence of methods of accounting for revenue recognition in the Jordanian industrial companies according to international accounting standards.

Third hypothesis is Industrial companies listed on the Amman Stock Exchange disclosure requirements do not apply according to the International Accounting Standard 18

Table (6) the performance of the study sample paragraphs first hypothesis

N	Title	average	S.D	Rank
1	can be exchange goods or services similar goods or services in terms of both nature or in terms of value	3.5	0.50	1
2	You can measure the fair value of the goods or services received a reasonable degree of reliability is measured in revenue at fair value of goods or services ceded after taking into consideration the value of cash or cash equivalent converter	3.2	0.62	3
3	Disclosure followed in recognition accounting policies contribute to the process of revenue in determining the stage of completed transactions relating to the provision of services	3.4	0.42	2
4	The disclosure of accounting methods used in the measurement of revenue in the financial statements	2.7	0.74	4
Average		3.2		

Notes from Table (6) that the study sample confirms that the first paragraph represent the greatest degree of acceptance and an average of 3.5, and this is clear from the corresponding proportions strongly swaps of goods or services similar goods or services in terms of both nature or in terms of value. Second place is also noted that the third paragraph of the approved ratios represent strongly degree of acceptance and contribution disclosure followed in revenue recognition in determining the stage of completed transactions relating to the provision of services accounting policies and process. Also notes that the average assumption of 3.2, higher than the central premise, and this shows that the study sample tend to accept this hypothesis

IX. Results and Recommendations

First: Results

1. revenue is recognized when the probability of Industrial Company for the economic benefits in

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the future likely to happen to be a measure of the extent of these benefits Reliability

2. revenue verifiable considered assets when they are received or suspended can be replaced immediately in cash or cash commitment
3. The industrial companies in Jordan Revenue recognize if there is a commercial transactions with parties outside the company as a prerequisite for recognition of revenue in the financial statements
4. can barter goods or services similar goods or services in terms of both nature or in terms of value
5. disclosure followed in recognition accounting policies contribute to the process of revenue in determining the stage of completed transactions relating to the provision of services
6. provides disclose the amount of revenue resulting from the swap of goods or services included in each significant category of revenue process

Second: Recommendations

1. The need for the electronic capture process contribute to increase the effectiveness of control over the revenues in contributing to industrial companies
2. need to be measured at fair value of revenue in return received or receivable for the facility , taking into account the value of any trade discount or discount amount allowed by the established
3. can measure the fair value of the goods or services received a reasonable degree of reliability is measured by Revenue (then) the fair value of goods or services ceded after taking into account the value of the currency
4. that usually determines the value of revenue that results from a given process under an agreement between the property on the one hand and the buyer or the beneficiary of the use of the asset on the other hand
5. necessity conferences that focus on the importance of applying international accounting standards and focus more on the themes of the conference applications standards in Jordan held
6. study on the need to apply the service sectors in view of its own international accounting standards provide guidance and advantages help solve accounting problems guide

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