

Country Studies

In Part One the diversity of financial reporting around the world was discussed and illustrated in general terms. In this part, this diversity is considered in greater detail through an examination of financial reporting in the five countries of the Pentad: Britain, USA, France, Germany and Japan. For each country, there is a description and analysis of financial reporting rules and practice, covering the following points, in so far as they are relevant for an understanding of the financial reporting of that country's enterprises:

- the historical development
- the institutional framework, including consideration of all the elements that were found in Chapter 2 to be influential: the state, the corporate financing system and the accountancy profession
- the regulatory system, including a review both of the principal rules and of the bodies that make these rules, covering the whole hierarchy of rules which was introduced in Chapter 3 and illustrated in Exhibit 3.2: laws, regulations, standards, and firm specific rules

One objective of this analysis is to demonstrate the essential characteristics of each country's financial reporting and to bring out the differences between countries, whilst noting any similarities. Certainly, by the end of this part, the reader should have a far clearer and more informed view of the diversity within the Pentad.

The final chapter in this part presents an analysis of the European Union's activities relating to financial reporting.