

ASPECTS REGARDING THE INTERNATIONAL ACCOUNTING STANDARD I.A.S. 41 - AGRICULTURE

**Gabriela IGNAT¹ Constantin IATCO¹, George UNGUREANU¹,
Carmen COSTULEANU², Haralambie ATHES³**

e-mail: gabriela@uaiasi.ro

Abstract

At the end of the year 2000, the European Parliament passed a standard specifically addressing agriculture, the International Accounting Standard IAS 41 – Agriculture. This standard introduced the fair value evaluation model to agriculture. Based on this, one can approach the management of transforming biological assets, so that on the occasion of initial and final accounting of each economic exercise these assets can be evaluated at their fair value, diminished with the estimated selling expenses. According to this international standard, the agricultural activity represents “the management of biological transformations and harvesting biological assets, with the purpose of selling them or transforming them into agricultural products or supplementary biological assets”. As Barry J. Epstein and Eva K. Jermakowicz note, “in the context of old international accounting standards, most of the rules applicable to agriculture (IAS 2 regarding stocks, IAS 16 regarding property and IAS 18 regarding income) deliberately excluded all or almost all examples related to agriculture. An analysis of financial statements issued for agricultural companies would have revealed the consequences of this neglect: a large array of methods and principles were applied by companies in the field of forestry or grain production. The objective of this standard is to prescribe the accounting treatment and information disclosure of agricultural activities”. IAS 41 has to be applied “in the accounting of biological assets and agricultural products at the time of harvest and government grants. The International Accounting Standard IAS 41 becomes the starting point in the evaluation of the fair value of assets in the field of agriculture. The objective of the present paper is to present the main aspects of IAS 41 in Romania.

Key words: international accounting standards, agricultural accounting, biological assets, fair value, financial statements
