MEASURING THE INTEREST LEVEL OF INDEPENDENT AUDITORS IN IAS 2-INVENTORIES: A CASE STUDY FOR THE CITY OF AFYONKARAHISAR

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ABSTRACT

In the study, it is aimed to measure the IAS 2-Inventories interest level of independent auditors who are at the same time professional accountants. For this purpose, a survey was conducted to the independent auditors in the City of Afyonkarahisar. Obtained data was analyzed by using statistical package software. Result of descriptive statistics shows that independent auditors in Afyonkarahisar have high level of interest in IAS 2-Inventories. Additionally, according to results of analysis, IAS 2 interest levels of independent auditors in Afyonkarahisar show statistically significant differences in terms of having taxpayer(s) subject to IAS/IFRS, defining IAS 2 as "simple, clear and easy to compliance" or "difficult, complex and arduous to compliance" and knowledge level on IAS/IFRS.

Key Words: IAS 2, Independent Auditor, Interest Level

Jel Codes: M41, M42, M48

1. INTRODUCTION

IAS 2-Inventories has some regulations which are about the elements can be included in the inventory cost or can not, the calculation methods of inventory cost, the inventory costs in service businesses and the valuation of inventories. As it has been frequently handled in the literature, there are some similarities and differences between Generally Accepted Accounting Principles (GAAP) and IAS 2-Inventories. For example, under IAS 2 inventory cost includes all costs of purchasing, conversion and other costs which are essential to get inventory ready to sale as it becomes under GAAP. On the other side, under GAAP it is allowed to use both last in first out (LIFO) and first in first out (FIFO) methods when determining the cost of inventories but under IAS 2 it is prohibited to use LIFO method. There is also inventory cost for service providers defined in IAS 2-Inventories. Accordingly, in cases   any revenue are not reflected as income in the financial statement, the relevant costs are reflected in the inventory account (IASB, 2003; KPMG, 2014:43). According to IAS 2, inventory can be measured at lower of cost and net realisable values which is defined in IAS 2 as the positive difference between estimated selling value of the inventory in the ordinary course business and estimated costs essential to complete and to get inventory ready to sale. However, under GAAP inventory is carried at lower of cost or market value (EY, 2013:15).

Compliance with the regulations in IAS 2 may take time but can give opporunity for professional financial statement users to use the same language. For

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instance, Kerr et al. (2009:7) said that prohibiting the usage of LIFO method can make the gross margins more comparable and easify analyzing the financial statement. This means that these regulations concern all professional financial statement users and of course independent auditors. In particular, because of SMEs in Turkey are going to implement IFRS and they are going to be requiered to have independent auditing reports, it is a necessity for independent auditors who are also financial advisors of SMEs to deal with IAS 2 in detail. Aygören and Kurtcebe (2010) denote that for the internationalization of a country's monetary and capital markets, it is a need to have reports audited based on International Auditing Standards and coherent with IFRS. When it is evaluated from this perspective, dealing with IAS/IFRS in detail is one of the conditions of effective auditing for the independent auditors. IAS 2-Inventories is one of the most important division of IAS/IFRS, too and should be evaluated from this perspective. So, in the study it is aimed to measure the level of interest of independent auditors in IAS 2-Inventories.

2. LITERATURE REVIEW

In the literature, studies about IAS 2-Inventories are generally shaped around the topics of examination of IAS 2, comparison of GAAP and IAS/IFRS in terms of IAS 2 and comparison of cost methods.

Özbek (2008) explained the purpose and scope of the IAS 2-Inventories and handled the definitions about valuation, inventory costing methods, purchasing and conversion costs of inventories and inventory costs in service businesses according to IAS 2. He gave some examples as records while examining IAS 2-Inventories in his study. Uyar (2009) also analyzed IAS 2 in detail. After covering historical development and purpose of IAS 2, he made some assessments about costing and valuation methods of inventories in IAS 2 by giving some examples and he concluded his study with comparison of Tax Procedure Law (TPL) and IAS 2 in terms of inventory valuation principles. Another study examined IAS 2 was made by Türker (2010). She explained purchasing costs of inventories, conversion costs of inventories, inventory costs in service businesses, inventory costing methods and impairment of inventories by comparing IAS/IFRS and TPL.

Bahadır (2012) handled valuation of inventories from the perspective of IAS/IFRS and TPL. He showed the steps for valuating inventories in trade enterprises and manufacturing enterprises according to IAS/IFRS by giving examples and explained how inventories are valuated according to TPL. Gönen and Demir (2012) made a study about comparing TPL and Part 13 of IFRS for SMEs which is about inventories. They first evaluated inventories from the viewpoint of TPL and IFRS for SMEs in their study. Then, they compared TPL and IFRS for SMEs in terms of costing and valuation methods of inventories by giving some pattern accounting records for both two regulations. Acar et al. (2013) handled differences in reporting inventories incoming with IAS/IFRS. They examined principles of IAS 2 about determining the cost of inventories, valuating inventories and reporting inventories which are different from the rules of TPL. On the contrary, Akın and Kurşunel (2010) explained inventory valuation principles of TPL, Turkish Trade Law (TTL), Capital Market Board (CMB) and IAS/IFRS and they concluded that IAS 2 has some differences about accounting inventory costs but these are not far away from our accounting policies. Sedki et al. (2014) compared GAAP and IAS/IFRS in terms of inventory, revenue recognition and consolidated financial statements. As a conclusion, they remarked that GAAP provides rules on these three topics whereas IAS/IFRS creates a framework on the basis of

principles and they emphasized that GAAP needs to be improved to adjusting it to globalized economy.

Dursun and Yalnız (2013) indited another part of IAS 2 which is relevant to inventory costs in service providers. They evaluated the inventory cost in service business in the scope of IAS 2-Inventories and IAS 18 Revenue and researched the applying level of IAS 2 and IAS 18 in a sample of accommodation business which is public enterprise and forced to apply IAS/IFRS. They found that the information required by IAS 2 and IAS 18 was given restrictedly in its consolidated financial statements. Yanık (2013) also made a research about inventory cost in service businesses. He defined kinds of service cost in health care enterprises and brought some offers to record these costs as inventory.

There are also studies in which costing methods of inventories are compared. Güngörmüş and Boyar (2010) defined some different inventory costing methods and explained inventory costing system of IAS 2 with a sample application. They concluded that because of normal costing method takes into consideration the capacity utilization ratio accounting records based on normal costing method show differences from records based on full costing method and so, there will be some changes in our accounting system with IAS 2. Akgün (2012) compared two different income statements one of them was prepared based on full costing method and the other one was prepared based on normal costing method. He found that these two income statements are different at net profit for the period and concluded that accountants should be interested in that issue. Marşap and Barışçı (2014) compared full costing and normal costing methods of inventories with a sample application and they underlined differences between two methods. They concluded that to meet the expectations of financial statement users, information need to be true, clear, reliable and comparable and to provide this, it is important to prepare financial statements according to IAS/IFRS.

As it is seen, IAS 2-Inventories has found its place frequently in the literature. Some studies explain IAS 2 in detail, some compare GAAP and IAS/IFRS in terms of inventories and some compare different costing methods of inventories. Differently, we aimed in our study to expose the IAS 2 interest level of independent auditors who are also professional income statement preparers and one of the leading environments will frequently face with the differences incoming with IAS 2-Inventories.

3. DATA

The population of the research consist of fifty four professional accountants located in the city of Afyonkarahisar who entitled to be "Independent Auditor" after completing the education given by Afyon Kocatepe University and providing the other conditions desired by Public Oversight Accounting and Auditing Standards Authority. Forty nine of them are public accountants (PA) who are registered to Chamber of Accountants and Financial Advisor in Afyonkarahisar and five of them are certified public accountants (CPA) who are registered to Chamber of Accountants and Financial Advisor in Ankara.

Research data were collected by using a questionnaire. Thirty seven of the whole population answered the questionnaire but seventeen of the population did not for various reasons. When preparing the questionnaire, from two different researches made by Deran et al. (2014) and again Deran et al. (2014) were benefited. These

researches provide us a model to prepare our questionnaire based on the purpose and main topic of our research.

4. METHODOLOGY

The statements in the survey were created based on the topic and aim of the research by inspiring from similar surveys in the literature. In the first part of the survey there are seven questions to determine demographic characteristics of respondents, one multiple choice question to measure the IAS/IFRS knowledge level of respondents and one more multiple choice question to determine how the respondents define IAS 2-Inventories.

Second part of the survey was formed according to five-point Likert Scale which was scaled one to five respectively as "Don't know at all", "Don't know", "No idea", "Know" and "Know quite well". In this part, there are eleven statements related to the aim and scope of IAS 2 and cost, accounting and valuation principles of IAS 2 to measure the level of interest of independent auditors in IAS 2-Inventories.

Title	Frequency	Percentage
PA	35	94,6
CPA	2	5,4
Working Status	**Frequency**	**Percentage**
Independent	27	73,0
Private Company	10	27,0
Graduation	**Frequency**	**Percentage**
Bachelor Degree	32	86,5
Master	5	13,5
Experience (in years)	**Frequency**	**Percentage**
10-19	12	32,4
20-29	13	35,2
30+	12	32,4
Age	**Frequency**	**Percentage**
30-39	10	27,0
40-49	12	32,4

50+	15	40,6
Having Taxpayer(s) Subject to IAS/IFRS	**Frequency**	**Percentage**
Yes	6	16,2
No	31	83,8

Obtained data was analyzed by using statistical package software. Firstly, a frequency analysis was applied for the first part of the survey. Then, to analyze the second part, the reliability of the scale was tested. Accordingly, Cronbach Alpha coefficient of the scale is 0,945. In the following analysis, statements in the scale of IAS 2 were collected under three factors as "aim and scope of the IAS 2", "cost and accounting principles of IAS 2" and "valuation principles of IAS 2". Then descriptive statistics were performed and finally, it was tested whether the level of interest of independent auditors in IAS 2-Inventories differs based on the variables in the first section of the survey or not. In this context, Independent Samples T and One-Way Anova analysis were applied.

5. RESULTS

5.1. Sample Characteristics

According to obtained data, demographic characteristics of respondents are shown in Table 1.

Table 1. Demographic Characteristics of Sample

Knowledge level on IAS/IFRS;	Frequency	Percentage
Any	-	-
Partly	15	40,5
Moderate	17	46,0
Complete	5	13,5
How do you define IAS 2;	**Frequency**	**Percentage**
Simple, clear, easy to compliance	18	48,6
Difficult, complex, arduous to compliance	19	51,4

Table 1 shows that there are only two independent auditors have CPA title and the others have PA title. Seventy three percent of whole respondents employed as independent whereas twenty seven percent of them employed in private companies. When looking at the graduation of respondents, it seems that the majority (%86,5) has

bachelor degree and %13,5 of respondents has master degree. There is no respondent has associate degree or doctor of philosophy (PhD).

According to Table 1, experiences (in years) of respondents are distributed almost evenly between the groups of 10-19 years, 20-29 years and 30+ years. Age groups of the respondents show that seventy three percent in total of them are over the age of forty. In terms of experience (in years) and age, it can be said that respondents are quite experienced. Lastly, six respondents have taxpayer(s) subject to IAS/IFRS whereas thirty one respondents don't have.

Answers received from the respondents for the questions of "what is your knowledge level on IAS/IFRS" and "how do you define IAS 2" are shown in Table 2:

Table 2. IAS/IFRS Knowledge Level and Defining IAS 2

Knowledge level on IAS/IFRS;	Frequency	Percentage
Any	-	-
Partly	15	40,5
Moderate	17	46,0
Complete	5	13,5
How do you define IAS 2;	**Frequency**	**Percentage**
Simple, clear, easy to compliance	18	48,6
Difficult, complex, arduous to compliance	19	51,4

Table 2 shows that %40,5 of respondents has partly, %46 of respondents has moderate and %13,5 of respondents has complete information about IAS/IFRS. There is no respondent who knows nothing about IAS/IFRS. It can be said that the education given by Afyon Kocatepe University to the respondents may be effective in this situation.

Almost the half of the whole respondents define IAS 2 as "simple, clear and easy to compliance" and the other half define as "difficult, complex and arduous to compliance".

5.2. Descriptive Statistics for the Scale of IAS 2

Means, standart deviations and percentages of the factors and statements in the scale of IAS 2 are given in Table 3 to evaluate the level of interest of independent auditors in IAS 2-Inventories.

Table 3. Descriptive Statistics for the Scale of IAS 2

IAS 2-Inventories	Mean	SD[+]	%				
			1	2	3	4	5
Aim and Scope of the IAS 2;	**3,76**	**,830**	-	**12,15**	**13,5**	**60,85**	**13,5**
Aim of the IAS 2	3,81	,845	-	10,8	13,5	59,5	16,2
Inventories to which IAS 2 is going to be applied (scope of the IAS 2)	3,70	,845	-	13,5	13,5	62,2	10,8
Cost and Accounting Principles of IAS 2;	**3,79**	**,732**	-	**9,18**	**15,12**	**63,28**	**12,42**
Elements can be included in cost of inventory	3,78	,854	-	13,5	8,1	64,9	13,5
Elements can not be included in cost of inventory	3,78	,821	-	10,8	13,5	62,2	13,5
Principles related to conversion costs of inventories	3,81	,701	-	5,4	18,9	64,9	10,8
Accounting principles related to borrowing costs of inventories	3,78	,787	-	8,1	18,9	59,5	13,5
Accounting principles related to inventories in service businesses	3,78	,750	-	8,1	16,2	64,9	10,8
Valuation Principles of IAS 2;	**3,82**	**,714**		**8,77**	**13,5**	**64,23**	**13,5**
At which value the inventories must be	3,84	,866					

measured in balance sheet			-	13,5	5,4	64,9	16,2
What the "Net Realisable Value" is	3,84	,764	-	8,1	13,5	64,9	13,5
What the "Fair Value" is	3,81	,701	-	5,4	18,9	64,9	10,8
Principles related to impairment of inventories	3,81	,776	-	8,1	16,2	62,2	13,5

[+] **SD:** Standard Deviation; **1:** Don't know at all, **2:** Don't know, **3:** No idea, **4:** Know, **5:** Know quite well

When Table 3 is examined on the basis of factors, it seems that "valuation principles of IAS 2" has the highest mean with the value of 3,82. Mean value of "cost and accounting principles of IAS 2" and "aim and scope of the IAS 2" factors have the mean values of 3,79 and 3,76 respectively. These values show that level of interest of independent auditors in "valuation principles of IAS 2" is a little bit greater than other two factors. On the other hand, mean values of the all three factors are close to value of four which is the level of "Know". Namely, it can be said that independent auditors in Afyonkarahisar are interested in IAS 2-Inventories in detail but not at the level of "quite well".

When the statements in the IAS 2 scale are examined one by one, highest means belong to "at which value the inventories must be measured in balance sheet" and "what the Net Realisable Value is" with the value of 3,84. Both of two are under the "valuation principles of IAS 2" factor. The lowest mean belongs to "inventories to which IAS 2 is going to be applied (scope of the IAS 2)" statement with the value of 3,70 but that value is also close to level of "Know". Evaluating the statements one by one shows us, too, independent auditors in Afyonkarahisar have interest in IAS 2 in detail.

If Table 3 is evaluated on the basis of percentage of factors, it seems the focus is on the level of "Know". Accordingly, for the factor of "aim and scope of the IAS 2" %60,85 of respondents, for the factor of "cost and accounting principles of IAS 2" %63,28 of respondents and for the factor of "valuation principles of IAS 2" %64,23 of respondents are on the level of "Know". Respondents who are on the level of "Know quite well" for the three factors are %13,5, %12,42 and %13,5 respectively. These percentages also show us, independent auditors' interests in IAS 2-Inventories are on high level.

5.3. IAS 2 Interest Level of Independent Auditors in Terms of Control Variables

In this part of the research it was tested whether the level of interest of independent auditors in IAS 2-Inventories differs based on the variables in the first section of the survey (control variables) or not. For this purpose, skewness and kurtosis values was identified to determine normality of IAS 2 scale. Both skewness and kurtosis values of the data are between -1 and +1. That's why it was accepted, the scale has a normal distribution. In this condition we need to use parametric analysis

techniques. So, we used Independent Samples T analysis when we compare averages of two groups and One-Way Anova analysis when we compare averages of more than two groups (Altunışık et al., 162-204). As control variables we took working status, graduation, experience (in years), age and having taxpayer(s) subject to IAS/IFRS. As confidence level we preferred %95 (0,95) for the analysis. In other words, %5 (0,05) was preferred as significance level for Independent Samples T and One-Way Analysis.

According to Independent Samples T analysis in terms of graduation, there is no statistically significant difference between groups. It means that IAS 2 interest levels of independent auditors show no statistically significant difference between respondents who have bachelor degree and master degree.

Moreover, with respect to results of One-Way Anova in terms of experience (in years) and age there is no statistically significant difference between groups. In other words, there is no statistically significant difference about IAS 2 interest levels of independent auditors between the experience (in years) groups of 10-19, 20-29 and 30+ and there is also no difference between the age groups of 30-39, 40-49 and 50+.

The results of Indepent Samples T analysis in terms of working status, having taxpayer(s) subject to IAS/IFRS and defining IAS 2 and the result of One-Way Analysis in terms of knowledge level on IAS/IFRS are as follows:

5.3.1. Independent Samples T Analysis in Terms of Working Status

Statistical value of Independent Samples T analysis can be differ according to equality of variance between groups. So, to interpret the results we first need to test equality of variance. Variance equality results in Independent Samples T analysis are shown under "Levene's Test for Equality of Variances". If Levene's Test statistic is greater than significance level (0,05 for our analysis), there is equal variance between groups and vice versa (Altunışık et al., 2010:188-189).

In this context, Independent Samples T analysis result in terms of working status is shown in Table 4.

Table 4. Working Status

	Ortalama			
Working Status	**Independent**	**Private Company**		
N	**27**	**10**	**Levene's Test**	**p (Sig.)**
Aim and Scope of the IAS 2	3,6944	4,1750	0,972	0,068
Cost and Accounting Principles of IAS 2	3,6444	4,1800	0,669	0,046[*]
Valuation Principles of IAS 2	3,6296	4,1000	0,497	0,128

[*]Statistically significant at significance level of 0,05

According to results in Table 4, there are equal variances between groups for all the three factors of IAS 2-Inventories. But, cost and accounting principles of IAS 2 is the only factor at which there is statistically significant difference between groups at confidence level of %95. For other two factors of IAS 2, there is no statistically significant difference between respondents employed as independent and in private companies.

For all three factors of IAS 2, mean values of respondents employed in private companies are greater than mean values of respondents employed as independent. But, the difference is only statistically significant for the factor of cost and accounting principles of IAS 2. Accordingly, independent auditors employed in private companies are more interested in cost and accounting principles of IAS 2 than independent auditors employed as independent.

5.3.2. Independent Samples T Analysis in Terms of Having Taxpayer(s) Subject to IAS/IFRS

Independent Samples T analysis result in terms of having taxpayer(s) subject to IAS/IFRS is shown in Table 5.

Table 5. Having Taxpayer(s) Subject to IAS/IFRS

	Mean			
Having Taxpayer(s) Subject to IAS/IFRS	**Yes**	**No**		
N	**6**	**31**	**Levene's Test**	**p (Sig.)**
Aim and Scope of the IAS 2	4,5000	3,6935	0,929	0,009[*]
Cost and Accounting Principles of IAS 2	4,5333	3,6452	0,637	0,005[*]
Valuation Principles of IAS 2	4,5833	3,5968	0,23	0,006[*]

[*]Statistically significant at significance level of 0,05

As it seems in Levene's Test results in Table 5, there are equal variances between groups for all the three factors of IAS 2-Inventories. So, values under the p (Sig.) are Independent Samples T results obtained based on equal variance assumed.

According to these values, in terms of having taxpayer(s) subject to IAS/IFRS there is statistically significant difference between groups for all the three factors of IAS 2-Inventories at confidence level of %95. It means that for all the factors of "aim and scope of the IAS 2", "cost and accounting principles of IAS 2" and "valuation principles of IAS 2", interest level of independent auditors who have taxpayer(s) subject to IAS/IFRS is statistically different than independent auditors who don't have.

These differences also seem under the mean column in Table 5. Mean values of independent auditors who have taxpayer(s) subject to IAS/IFRS are greater than mean values of independent auditors who don't have for all the three factors. Furthermore, means values of independent auditors who said "yes" for all three factors are between the levels of "Know" and "Know quite well" but close to level of "Know

quite well" whereas mean values of independent auditors who said "no" are between the levels of "No idea" and "Know" but close to level of "Know". So, it is easy to say, independent auditors who have taxpayer(s) subject to IAS/IFRS are more interested in IAS 2-Inventories than independent auditors who don't have any taxpayer subject to IAS/IFRS.

5.3.2. Independent Samples T Analysis in Terms of Defining IAS 2

Independent Samples T analysis result in terms of defining IAS 2 is shown in Table 6.

Table 6. Defining IAS 2

	Mean			
How do you define IAS 2?	**Simple, clear, easy to compliance**	**Difficult, complex, arduous to compliance**		
N	**18**	**19**	**Levene's Test**	**p (Sig.)**
Aim and Scope of the IAS 2	4,1111	3,4211	0,036	0,009[*]
Cost and Accounting Principles of IAS 2	4,0778	3,5158	0,125	0,017[*]
Valuation Principles of IAS 2	4,1944	3,4737	0,007	0,001[*]

[*]Statistically significant at significance level of 0,05

Levene's Test results in Table 6 show that there is variance between groups for the factor of cost and accounting principles of IAS 2 and there are unequal variance between groups for other two factors. For this reason, when these two factors was evaluated, unequal variance assumed got base. Accordingly, in terms of defining IAS 2 there is statistically significant difference between groups for all the three factors of IAS 2 at the confidence level of %95. This means, there is statistically significant difference between independent auditors define IAS 2 "simple, clear and easy to compliance" and those define IAS 2 "difficult, complex and arduous to compliance". When mean values of the groups is handled, highest ones appear for the independent auditors define IAS 2 "simple, clear and easy to compliance". In this situation, it can be said that independent auditors define IAS 2 "simple, clear and easy to compliance" are more interested in IAS 2-Inventories than independent auditors define IAS 2 "difficult, complex and arduous to compliance".

5.3.4. One-Way Anova Analysis in Terms of IAS/IFRS Knowledge Level

Result of One-Way Anova analysis that was made to test whether interest levels of independent auditors in IAS 2-Inventories differ in terms of knowledge level on IAS/IFRS is shown Table 7.

Table 7. IAS/IFRS Knowledge Level

Knowledge level on IAS/IFRS	Mean				
	Partly	Moderate	Complete		
N	15	17	5	Levene's Test	p (Sig.)
Aim and Scope of the IAS 2	3,2667	3,8824	4,8000	0,000	0,000[*]
Cost and Accounting Principles of IAS 2	3,3067	3,8941	4,8800	0,000	0,000[*]
Valuation Principles of IAS 2	3,4500	3,8529	4,8500	0,001	0,000[*]

[*]Statistically significant at significance level of 0,05

P (Sig.) values in Table 7 show, there is statistically significant difference between groups at confidence level of %95 for all three factors. It means interest levels of independent auditors in IAS 2-Inventories show difference on the basis of knowledge level on IAS/IFRS. In other words, there is statistically significant difference at least between two groups from the groups of "partly", "moderate" and "complete". To better understand between which groups this differences arise from, we need to check Post-Hoc results.

Post-Hoc technique used differs according to variance homogeneity between groups. Because of this, to decide which Post-Hoc technique is going to used, variance homogeneity needs to be looked first. Levene's Test gives variance homogeneity results in One-Way Anova analysis. If Levene's Test statistic is greater than significance level (0,05 for our analysis), there is variance homogeneity between groups and vice versa (Durmuş et al., 2011:124).

As it seems in Table 7, Levene's Test statistics are small than chosen significance level. So, group variances are not homogenous for all three factors. That's why, in this analysis we used Games-Howell as Post-Hoc technique to understand

between which groups the differences arise from. P (Sig.) values of Post-Hoc results are given for each factor in Table 8, Table 9 and Table 10 respectively.

Table 8. Post-Hoc Result 1

Factor	**IAS/IFRS Knowledge Level**	Partly	Moderate	Complete
Aim and Scope of the IAS 2	Partly	-		
	Moderate	0,070	-	
	Complete	0,000[*]	0,000[*]	-

[*]Statistically significant at significance level of 0,05

According to Post-Hoc results in Table 8, there is statistically significant difference between the groups of "complete" and "moderate" and also there is statistically significant difference between the groups of "complete" and "partly". As seen in Table 7, means value of "complete" group is greater than both "moderate" and "partly" groups". Even, mean value of "complete" group is very close to level of "Know quite well" whereas mean value of "partly" group is close to level of "No idea" and mean value of "moderate" group is close to level of "Know". This means that independent auditors have complete knowledge about IAS/IFRS are very interested in aim and scope of the IAS 2 and their levels of interest are more than others who have moderate and partly knowledge. Besides, independent auditors have moderate knowledge about IAS/IFRS are more interested in aim and scope of the IAS 2 than independent auditors have partly knowledge, too.

Table 9. Post-Hoc Result 2

Factor	**IAS/IFRS Knowledge Level**	Partly	Moderate	Complete
Cost and Accounting Principles of IAS 2	Partly	-		
	Moderate	0,028[*]	-	
	Complete	0,000[*]	0,000[*]	-

[*]Statistically significant at significance level of 0,05

As the data in Table 8 shows, there is statistically significant difference between the groups of "partly" and "moderate". Mean values in Table 7 provide us information to better understand which group is superior. Accordingly, mean value of "moderate" group is greater than mean values of "partly" group. So, independent auditors have moderate knowledge about IAS/IFRS are more interested in cost and accounting principles of IAS 2 than independent auditors have partly knowledge.

On the other side, "complete" group shows statistically significant difference from "moderate" and "partly" groups. Here, mean value of complete group is very close to level of "Know quite well", too and greater than others. It is easy to say again, independent auditors have complete knowledge about IAS/IFRS are very interested in cost and accounting principles of IAS 2 and their levels of interest are more than others who have moderate and partly knowledge.

Table 10. Post-Hoc Result 3

Factor	IAS/IFRS Knowledge Level	Partly	Moderate	Complete
Valuation Principles of IAS 2	Partly	-		-
	Moderate	0,185	-	-
	Complete	0,000[*]	0,002[*]	-

[*]Statistically significant at significance level of 0,05

According to Table 10, there is statistically significant difference between "complete" and "moderate" groups and also there is statistically significant difference between "complete" and "partly" groups. There is no statistically significant difference between "moderate" and "partly" groups.

Table 7 shows us which group is superior to each other. Mean value of complete group is again very close to level of "Know quite well". On the contrary, mean values of moderate and partly groups are close to levels of "Know" and "No idea" respectively. So, independent auditors have complete knowledge about IAS/IFRS are very interested in valuation principles of IAS 2 and their levels of interest are more than others who have moderate and partly knowledge as it becomes in other two factors.

CONCLUSION

In the study, it is aimed to measure the interest level of independent auditors in IAS 2-Inventories. For this purpose, a survey was applied to independent auditors and obtained data was analyzed by using statistical package program.

Results of descriptive statistics show that, there is no respondent has no information about IAS/IFRS. As a reflection of this situation, it is expected that interest level of the sample in IAS 2 is on high level. Indeed, results of descriptive statistics confirm this expectation. Accordingly, independent auditors in Afyonkarahisar has knowledge in aim and scope of IAS 2, in cost and accounting principles of IAS 2 and in valuation principles of IAS 2 in percentage of %74,35, %75,7 and %77,73 respectively. It can be said, education given by Afyon Kocatepe University about IAS/IFRS to respondents became effective in this portrait.

According to the result of Independent Samples T test in terms of having taxpayer(s) subject to IAS/IFRS, IAS 2 interest level independent auditors who have taxpayer(s) subject to IAS/IFRS is more at than independent auditors who don't have. Applying IAS 2 in practically by independent auditors who have taxpayer(s) subject to IAS/IFRS can explain this difference.

When it comes to test whether independent auditors' interest level in IAS 2 differs in terms of defining IAS 2, result of Independent Samples T test prove that there is statistically significant difference between independent auditors define IAS 2 as "simple, clear and easy to compliance" and independent auditors define IAS 2 as "difficult, complex and arduous to compliance". First one of two groups is more interested in IAS 2 than the second one. When level of difficulty in understanding the standard and level of interest are thought together, reforming the standard more clearly with some instructive samples can be helpful to easy adaption.

Finally, in evaluating in terms of knowledge level on IAS/IFRS, statistically significant differences were found between independent auditors who have knowledge at the levels of "partly", "moderate" and "complete". Accordingly, independent auditors who have complete information about IAS/IFRS are more interested in IAS 2 than those who have moderate information and independent auditors who moderate information about IAS/IFRS are more interested in IAS 2 than those who have partly information. This results show that increasing educations about IAS/IFRS can be helpful to increase interest level of related environment in IAS 2-Inventories and to simplify adaption to the standard.

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