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Interpretation of uncertainty expressions

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Research questions

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competing explanations for why interpretation of uncertainty expressions might differ between accountants from two different language-cultures: *culture* and *translation*.

RESEARCH QUESTIONS

The primary question addressed in this study is whether differences exist between U.S. and German accountants in the interpretation of uncertainty expressions found in IAS. If so, this could have negative consequences for the comparability of financial statements between these two countries even though those statements are prepared using a single set of standards. The first hypothesis examined is:

Hypothesis 1: Interpretations of uncertainty expressions differ between U.S. and German accountants because of differences in culture and/or because of linguistic translation.

If differences in the interpretation of uncertainty expressions exist, the second research question is what is the cause: Are differences due to the different language-cultures of the two groups or are differences due to the effects of translation or are differences due to both? Knowing whether culture or translation is the cause of differing interpretations could be important because one cause might be easier to overcome than the other in improving the comparability of financial statements. The second and third hypotheses examined in this study are:

Hypothesis 2: Interpretations of uncertainty expressions differ between U.S. and German accountants because of differences in language-culture.

Hypothesis 3: Interpretations of uncertainty expressions differ between U.S. and German accountants because of linguistic translation.

METHODOLOGY