



Identification and Investigation of the Relationships between the Indicators Influenced by the Application of International Financial Reporting Standards by Iranian Banks in the Resistance Economy Framework

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ABSTRACT

The present study seeks to examine the effect of preparing financial bank statements based on international financial reporting standards on the environment of Iran in the resistance economy framework. The statistical population includes university professors, consultants, experts, and bank managers in the respective sectors or banking consultants in other relevant units of the banking industry who have scientific backgrounds in the field of international financial reporting standards. Data collection was conducted by desk research and survey as well as using online resources, and questionnaires were used to collect the opinions of the statistical population. Fuzzy Delphi method was used to identify the indicators influenced by the application of international financial reporting standards by the Iranian banks and fuzzy DEMATEL was used to examine the relationship between these indicators. The final results of the study indicate that the four main areas of transparency and reducing corruption, the quality of balance sheets, improvement of the supervision, and the development of entrepreneurship and maximization of people's participation in the economy which include the main indicators of increasing transparency, tax affairs and profits, the cost of accessing bank information, honest expression, financial statement comparability, banks' financial statement quality, the community's perception of the risk of the banks, accountability, international pressures, the risk of banks, attention to the interests and rights of minority shareholders, maintaining the reputation of the bank, entrepreneurship and employment, the banking industry's share out of GDP, and the process of banks' resource allocation are affected by the application of international financial reporting standards by banks in the resistance economy framework. Besides, results of investigating the relationships between the indicators indicate that the indicators of increasing transparency, accountability, and the banking industry's share out of the GDP have the greatest impact on other variables while the variables of international pressures, attention to the interests and rights of minority shareholders, maintaining the reputation of the banks, and banks' resource allocation process are most influenced by other variables.

Keywords:

financial bank statements, international financial reporting standards, resistance economy

1. Introduction

Economic confrontations have gone beyond their limits and have turned into a full-blown economic way in some cases such as the conflicts of some Western powers with the Islamic Republic of Iran. Economic confrontation and conflict are one of the realities of the current international trade environment which has been less addressed in the scientific economy literature since the freedom of commerce and trade is among the basic economic premises (Ranjbar Fallah & Fattahi, 2020).

National economic affairs are among the issues seriously emphasized by the Supreme Revolution Leader (blessed be his reign). 10 of the recent 19 years were named with a focus on the economy which indicates the utmost significance of the economy in Iran. Banks and banking –that are the beating heart of any economy that pump blood into the veins of the economy of societies- must be governed in complete compliance with Islamic principles so that they can play an effective role as the base and foundation of the Islamic economy and remains resistant against the shocks emitted from the economy of other countries (Naseri et al., 2018).

The term "resistance economy" was first mentioned by the Supreme Leader in his 2010 meeting with entrepreneurs. In this meeting, he introduced resistance economy as an entrepreneurial concept and notion and mentioned the two reasons of the country being prepared for a leap and the pressure imposed by the enemies as two reasons for the Iran's dire need for entrepreneurship. Various definitions have been proposed for resistance economy over this short period, each focusing on an aspect of the issue. Among these definitions, one has been proposed by the Supreme Leader himself. In his meeting with university students, he stated that a resistance economy is an economy through which the country can develop and flourish despite extreme hostilities (Jafarzadegan & Habibi, 2012, 1). Since then, various ambiguities have arisen regarding the concept of resistance economy, how it is to be achieved, and its relationship with long-term economic growth among politicians, economists, and the general public which has resulted in extensive debate (Noforesti, 2016, 5).

The announcement of resistance economy general policies has concerned the auditors and accountants in Iran whether only the economists and executive authorities of the country are responsible for

implementing these policies or the professional auditing and accounting community of the country can also play a part in this regard. Auditors and accountants play a significant part in making operations transparent, reducing investment risks, implementing the optimal management, promoting the culture and auditing and adhering to the rules, eliminating corruption, and monitoring the implementation of policies. Auditors and accountants can also be quite influential in the fields of obstacle and requirement pathology for the realization of resistance economy, raising awareness among stakeholders to provide financial resources in macro-level economic projects, presenting expert analyses and solutions in the financial field, monitoring the quality of services, acknowledging stakeholder needs, and cooperation with respective organizations and institutions (Barahouii et al., 2016).

The growth of international trade and the increasing capital flows and economic cohesion has resulted in the tendency to harmonize accounting standards across the countries. Thus, there is a need for comprehensive and sustainable accounting standards based on clear principles relating to economic realities that are unified enough to be understood and used all around the integrated world of today (Alrabiei, 2017). Thus, Iranian banks are required to adhere to the framework prepared based on international standards to prepare their financial statement according to the regulations and circulars issued by the Central Bank of the Islamic Republic of Iran. This measure can be considered as the first serious step taken towards international accounting standards to take advantage of their benefits, particularly to enhance comparability. Hence, the question of "what impacts will preparing financial bank statements based on international financial reporting standards have on the environment of Iran" arises. This influence is of significance since it complies with the general policies of resistance economy as the main economic strategy of the country. Therefore, the present study seeks to answer the substantial question of "how will preparing financial bank statements based on international financial reporting standards to influence the environment of Iran?" And what are the relationships between the influenced indicators?

2. Literature Review

An old but rich definition of economics is that it is the science of optimal allocation of limited resources to meet the unlimited desires, and "scarcity" is the notion that has resulted in the emergence of economics (Amouzadeh, 2018). The term "resistance economy" is not prevalent in the global economic literature, but "economic leap" is a rather close concept to resistance economy which refers to the capability of a country to withstand external shocks (Brigoglio and Stephen, 2017). The word "resistance" has an intellectual meaning and is of emotional significance in Iran (Tomaj, 2014). Some have considered this term to be the equivalent of resilience in economics (Lin et al., 2013). Thus, a resistance economy is also considered the equivalent of a resilient economy, which refers to a system (such as a country) capable of protecting itself against sanctions and shocks, and quickly recover from economic damages (Wilson, 2020). Besides, the term "economic resilience" can be used in two senses: first, the economic capability of recovering from destructive external economic shocks quickly; and second, the economic capability to withstand the impacts of such shocks. Still, some scholars define a resistance economy as the capability to reduce the damages due to economic shocks. Resistance economy manifests at the micro (individuals and firms), moderate (sectors, clusters, and groups), and macro (countries, regions) levels (Van Burdick, 2017). Another definition of resistance economy is the policy-making and implementation of economic plans aimed at sustainability at all levels assuming pressure from the domineering system from all aspects (Abdolmaleki, 2016). Resistance economic is the opposite of isolation economy, it takes advantage of features such as self-sufficiency and independence, and tries to minimize its vulnerabilities. Besides, this economy interacts with other economies which means that it is not a closed and isolated economy (Ajili, 2013). Resistance economy is the scientific and indigenous economic model originating from the Islamic and Revolutionary culture (Heshmati & Molaii, 2015). Resistance economy is a scientific and theoretical foundation for modeling a particular species of the economy that actively prepares itself to deal with sanctions (Mirkazehi, 2015). The term "resistance economy" was first mentioned by the Supreme Leader in 2010 in a meeting with a group of national entrepreneurs and was later emphasized in many of his speeches. The

Supreme Leader stated in the meeting held for explaining the general policies of resistance economy that "Leaning on domestic capacities does not mean to ignore the facilities of other countries, but the Islamic system will make maximum use of the facilities made available by other countries alongside leaning on domestic assets" (Mohammadi Siahbouii et al., 2016).

Theoretically, a resistance economy also complies with the theory of economic flexibility. Economic flexibility is defined as the ability of a system to absorb market shocks without losing its capacities and abilities for effective resource allocation, re-allocate resources, and make structural changes while maintaining its function and foundation. The obstacles to research on resistance economy in Iran can be addressed at three macro levels including executive, legislative, and judicial. From the legislative aspect, the components of resistance economy have not been explained well and the required theories and frameworks have not been proposed while there are some cases of legislations contradicting resistance economy. From the executive aspect, the measures required for privatization and reducing the role of the government have not been taken. Eventually, from the judicial aspect, the support required for domestic entrepreneurs has not been offered (Ranjbar Ardekani, 2017).

The Supreme Revolution Leader later stated that resistance economy was the main model for the national economy and elaborated on this in the meeting held with entrepreneurs of the country in Ramadan 2010. In this meeting, he pointed out the necessity to recognize a new economy model called the resistance economy: "We must create a real resistance economy in the country. Everyone must count themselves responsible". He considers resistance economy as a model associated with resistance against the betrayals and sabotage of the enemy that does not merely build walls around itself and remain defensive but is rather an economy that allows the nation to grow and prosper even under pressure and sanctions so that the growing economic trend persists and its vulnerability is reduced (Noferesti, 2016).

Brigoglio et al. (2006) have defined a resistance economy as the ability to regulate or recover the national economy against the impacts of foreign firms. Resistance economy is an Islamic model determining the quality of economic communication and interaction with foreign countries so that it addresses

the domestic situations and weaknesses while relying on domestic strengths to satisfy the nation's violated rights from the countries violating those rights. Jami et al. (1394) believe that a resistance economy is a system aimed at economic growth and sustainability through focusing on discipline, legality, and human resource development. A resistance economy is the economy that prepares scenarios based on all the domestic and foreign weaknesses and strengths as well as the external threats and opportunities, has a plan for every scenario, is environment-sensitive, knows internal and external environments well, and responds well to changes. The four strategies of control, containment, reducing threats, and eliminating threats must be incorporated in a resistance economy.

On the other hand, accounting is the process of recognizing, measuring, analyzing, and reporting economic data. Reporting will be disturbed and the quality of the economic decisions based on the data will be unfavorable if no principles and regulations are specified for its process. International financial reporting standards are a set of regulations prepared and published to regulate financial reporting and create a set of accounting rules that are accepted all across the world (Carmona & Trombetta, 2008). The revised Conceptual Framework for Financial Reporting was issued by the Board in March 2018 and is effective immediately for the Board and the IFRS Interpretations Committee. For companies that use the Conceptual Framework to develop accounting policies when no IFRS Standard applies to a particular transaction, the revised Conceptual Framework is effective for annual reporting periods beginning on or after 1 January 2020, with earlier application permitted. The banks' financial statements "follow" the same basic principles as those of corporations, but there are major differences. Both assets and liabilities of banks are financial contracts; banks' capital is much smaller in relation to the size of the balance sheet than for non-financial firms, and off-balance sheet commitments of banks have a size of comparable magnitude as their balance sheets. We review quickly the structure of the balance sheet and the income statements in the first section. They are of major importance for financial institutions because, due to strong focus on "fair value" accounting, they drive the markups or markdowns of banks' portfolios that alter significantly either the capital base or the bottom line of the P&L statement. Such valuation rules have a

direct impact on banks' solvency. The review of IFRS is based on banks' annual reports and on consultants' reviews of basic principles and. This overview of new accounting standards includes four sections: Initial recognition of financial assets and liabilities; valuation rules; impairment rules for assets; and hedge accounting. The last section provides comparisons of classifications for risk regulations and for accounting treatment. The financial statements of banks differ widely from those of a corporation. The principles are the same. The differences relate to the nature of assets and liabilities, and some other features. The capital of banks is quite small compared to that of corporations, since banks should be able to raise funds for their current operations without going through the lengthy processes that non-financial entities face. On-balance sheet transactions include all transactions that generate an outflow of cash for assets and an inflow of cash for liabilities. Considering the extended application of international financial reporting standards in global markets, many developed countries are trying to adopt and implement international standards and integrate the market and political principles across the world despite lacking the appropriate infrastructures. Moving towards the globalization of international financial reporting standards will have various political, economic, social, and cultural consequences. This integration in international standards will increase the efficiency of capital markets, have positive economic consequences, attract the attention of foreign investors, and increase financial statements' comparability and transparency (Yousefi, 2010).

3. Research background

Among the relevant domestic studies, one could mention the study of Safari and Mesgarian (2019). This study has evaluated the role of the national banking system indicators influencing the realization of resistance economy goals and economic development, discussed various dimensions of the national financial and banking system and the indicators influencing the economy of Iran, investigated the influence of these indices on resistance economy feasibility criteria, and eventually suggested solutions to increase the influence of the national banking system on the realization of resistance economy, development, and employment. Asgari (2018) investigated the role of banks in the realization of resistance economy and suggested that

considering the international sanctions against Iran, promoting the consumption and environment business, strengthening knowledge-based firms, attention to import and export, and international participation and empowerment by banks are among the responsibilities of banks to successfully realize resistance economy.

Mohammadi (2017) studied the necessity and ways of changing the attitude towards accounting with a new accounting theoretical framework in a resistance economy and stated that standards approved by legitimate institutions are the tools to steer the members of the profession. Besides, these statements are key to transaction reporting cooperation too. Dianati Deylami (2015) conducted a study entitled "management accounting, a useful tool serving resistance economy" where he counted the management accounting tools that could help economic unit managers to execute the pillars of resistance economic (particularly national production) in their unit and tried to attract the attention of managers to these useful tools that can help them succeed in today's politicized and competitive world.

Sedaghat Galshkalami (2019) conducted a study entitled "international financial reporting standards: the advantages, challenges, and executive implementation solutions in Iran" in which he prioritized the solutions and challenges the advantages, challenges, and solutions using the fuzzy DEMATEL technique. The challenge of the amount and nature of the government's meddling in the economy ranked first among the challenges while the improved financial reporting quality ranked first among the advantages. Namazi & Esmailpour (2020) carried out a study entitled "the influence of international financial reporting standards on tax avoidance and tax evasion", and discovered that international financial reporting standards had a significant negative influence on preventing tax evasion and a significant positive impact on tax avoidance and that adopting international financial reporting standards had a significant and positive impact on financial statement reliability. Moreover, Azizi et al. (2016) discovered in their study entitled "strategic analysis of strengthening national economy according to the instructions of the Supreme Revolution Leader in the field of resistance economy" that implementing electronic government in customs, reducing the time taken for custom formalities, accurate execution of health codes and regulations to prevent the import of harmful and

unhealthy goods into Iran, creating a single window for foreign trade, and offering special facilities to manufacturing firms are among the most import indices for strengthening the economy of Iran.

Among the foreign studies, Key & Kim (2020) investigated the international financial reporting standards and the quality of accounting and demonstrated that international financial reporting standards had a positive influence on capital markets and the accounting environment in Korea. Azizi et al. (2020) investigated the advantages and costs of implementing international financial reporting standards in Poland, and demonstrated that introducing electronic government in customs, reducing the time taken for custom formalities, accurate execution of health codes and regulations to prevent the import of harmful and unhealthy goods into Iran, creating a single window for foreign trade, and offering special facilities to manufacturing firms are among the most import indices for strengthening the economy of Iran.

El-Helaly et al. (2020) evaluated the advantages and costs of implementing international financial reporting standards in Poland and demonstrated that countries with a higher uncertainty level are more likely to adopt international financial reporting standards while countries with higher masculinity values will probably adopt international financial reporting standards sooner. Golubeva (2020) conducted a study entitled "maximizing international return: the influence of international financial reporting standards on foreign direct investment", and demonstrated that adopting international financial reporting standards is significantly advantageous for foreign direct investment and has also increased foreign direct investment benefits for developed countries.

In a study entitled "Towards sustainable accounting data: evidence on the adoption of international financial reporting standards in Korea", Woo & Lee (2019) demonstrated that firms have reported smaller incomes after the adoption of international financial reporting standards compared to before these standards were adopted. Mokhtari et al. (2018) conducted a study entitled "the influence of resistance economy on the tax commitment of taxpayers" and indicated that tax compliance and the number of manufacturing firms increased after resistance economy policies were announced. Mantazer & Hossein (2017) conducted a study on

resistance economy and the ways to achieve it, believing that the new term of "resistance economy" has been added to the Iranian economy literature aiming to improve the national economic condition as a result of increased sanction and inhuman behavior of Western countries towards the Islamic Republic of Iran to stop its peaceful nuclear activities.

In an article called "determining indicators to evaluate resistance economy in the Iranian economy", Ghalei (2016) stated that the five international indicators of economic business, innovation, science, based economy, economic transparency, and competitiveness have been used in 2014 based on which the resistance economy of Iran is an unfavorable position, and the management of the national economy must be revised. However, this article sufficed to criticizing the status quo and presenting specific indicators and failed to suggest fundamental and suitable solutions. In another study entitled "the development strategies for improving knowledge-based resistance economy using the SWOT model", Moosazadeh et al. (2016) proposed several foundations such as the cultural and motivation systems for the knowledge-based economy and believed that cultural changes must happen and a better economic system must emerge to create a knowledge-based resistance environment. Liu & Sun (2015) carried out a study entitled "does mandatory adoption of international financial reporting standards influence Canadian firms' profit quality?" in which they demonstrated that no significant change was observed in Canadian firms' profit quality after international financial reporting standards were adopted.

In their study entitled "the role of the environmental factors of the countries on the adoption of international financial reporting standards", Shima & Yang (2012) discovered that political and economic factors, dependence on foreign financing, the normal legal system, higher literacy rate, and higher need for investment increase the tendency to adopt of international financial reporting standards while the capital market size, inflation, and taxes reduce this tendency. Loyeung et al. (2011) conducted a study on the relationship between the errors in adopting international financial reporting standards and auditing quality in Australia and discovered that the errors resulting from the adoption of international financial reporting standards have a positive relationship with the change in auditing costs and the expansion of

standards and a negative relationship with the tenure of CFOs and CEOs who were certified accountants.

Based on the research background and objectives, research questions are presented as follows:

- Which indicators are influenced by the application of international financial reporting standards to prepare financial statements based on the framework of resistance economy?
- How the indicators influenced by the application of international financial reporting standards used by banks to prepare financial statements based on the framework of resistance economy influence one another?

4. Methodology

The present study has been conducted in two phases; the first phase is considered among basic research in theory and the second phase is applied research. Besides, the study is considered among descriptive research in terms of the method since it identifies and investigates research variables using a combination of the available methods to present new results. Desk research, survey, and online resources were used to collect the data required for the research, and questionnaires were used to obtain the opinions of the statistical population. The present study took advantage of the

fuzzy Delphi technique to identify the indicators and fuzzy DEMATEL to determine the relationships between the identified indicators. The statistical population includes university professors, consultants, experts, and bank managers in the respective sectors or banking consultants in other relevant units of the banking industry who have scientific backgrounds in the field of international financial reporting standards. Two questionnaires were used in this study, the first was developed using fuzzy Delphi to identify international financial reporting standards and

the second was the impact intensity questionnaire used to evaluate the influence of factors and portrait the structure of their the impact which was analyzed using the fuzzy DEMATEL technique.

Decision making trial and evaluation laboratory (DEMATEL) technique was first developed by the Geneva Research Centre of the Battelle Memorial Institute to visualize the structure of complicated causal relationships through matrixes or digraphs. As a kind of structural modeling approach, it is especially useful in analyzing the cause and effect relationships among components

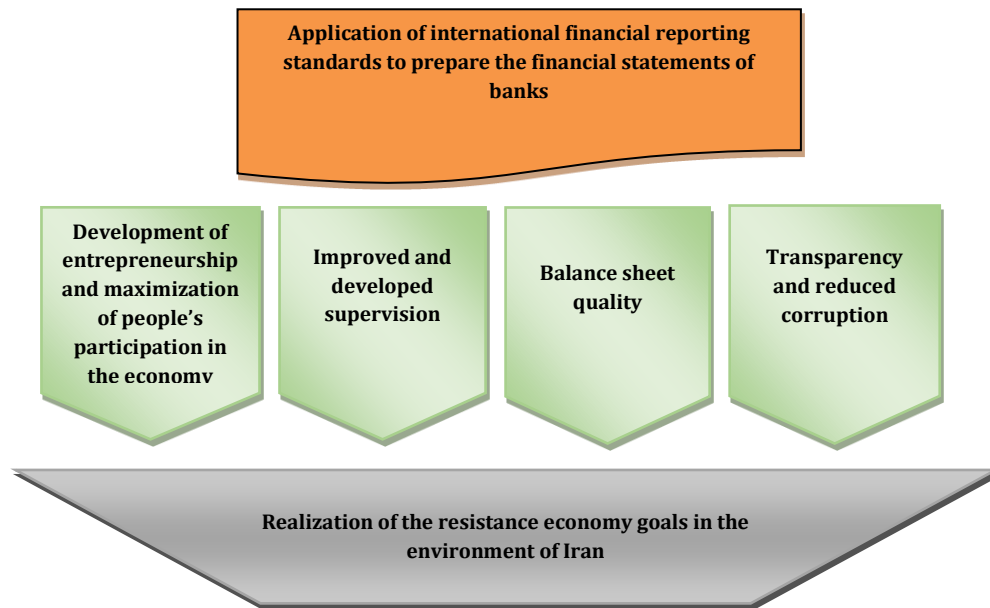


Figure 1.1: Research conceptual model

of a system. The DEMATEL can confirm interdependence among factors and aid in the development of a map to reflect relative relationships within them and can be used for investigating and solving complicated and intertwined problems. This method not only converts the interdependency relationships into a cause and effect group via matrixes but also finds the critical factors of a complex structure system with the help of an impact relation diagram.

In this study, Fuzzy DEMATEL method is used to assess causal relations of accidents for construction processes. This combination is used for the imprecise and subjective nature of human judgments. Interval sets are used rather than real numbers in fuzzy set theory. Linguistics terms are converted to fuzzy numbers. Decision making trial and evaluation laboratory (DEMATEL) is considered as an effective method for the identification of cause-effect chain components of a complex system. It deals with evaluating interdependent relationships among factors and finding the critical ones through a visual structural model. DEMATEL methodology is utilized to determine the position of each factor in the system and also their influencing power on each other and hence determining the most influential factors of green

innovation. Identifying the enablers/factors for adoption of green innovation practices.

5. Results

5.1. The First Research Question

The first question: Which indicators are influenced by the application of international financial reporting standards to prepare financial statements based on the framework of resistance economy?

To determine the factors affecting the indicators influenced by the application of international financial reporting standards in the preparation of financial statements based on the framework of resistance economy, previous research and literature were studied in the first phase and several factors were extracted as the indicators influenced by the application of international financial reporting standards in the preparation of financial statements based on the framework of resistance economy. In the second phase, meetings were held with 35 bank managers and experts using the fuzzy Delphi technique, the output of which alongside literature review was the extraction of over 22 influential factors demonstrated in table 4.5. In the third phase, a questionnaire scored on a five-point Likert scale was delivered to the experts and they were asked to determine the importance of the indicators

influenced by the application of international financial reporting standards in the preparation of financial statements based on the framework of resistance economy through the aggregation of opinions. Then, the average of experts' opinions was used to identify and determine the main factors reported in tables 4.6 through 4.10. It must be mentioned that the present research is a descriptive and quantitative study, so a questionnaire was used as a tool to evaluate the collective opinion of the expert after the identification of the influential factor using fuzzy Delphi, and a standard questionnaire was used to evaluate qualitative relationships.

Thus, the following 16 indicators were extracted as the indicators influenced by the application of international financial reporting standards in the preparation of financial statements based on the framework of resistance economy. The indicators were

categorized into four main areas of Transparency and reduction of corruption, Balance sheet quality, Improved and upgraded monitoring, and developing entrepreneurship and maximizing people's participation in the economy which include the main indicators of increased transparency, Profits and tax issues, Cost of accessing bank information, Honest expression (qualitative characteristic), financial statement comparability, financial statement reliability, Quality of banks' financial statements, the community's perception of banking sector risk, accountability, bank risk, international pressures, attention to the rights and interests of minority shareholders, maintaining bank reputation, employment and entrepreneurship, the share of the banking sector out of the GDP, and the process of resource allocation by the banking network.

Table 1: Average scores of the indicators in each dimension

No.	transparency and reduction of corruption indicators		extremely important	important	somehow important	less important	unimportant	average
1	transparency and reduction of corruption	increased transparency	11	10	7	5	2	0.6429
2		increased transparency	14	10	9	2	0	0.7238
3		cost of accessing bank information	12	10	8	5	0	0.6786
No.	balance sheet quality indicators		extremely important	important	somehow important	less important	unimportant	average
1	balance sheet quality	relevance of financial statements (qualitative characteristic)	2	3	7	11	12	0.3238
2		Honest expression (qualitative characteristic)	11	10	8	6	0	0.6595
3		financial statement comparability	14	9	8	4	0	0.7024
4		financial statement reliability	13	10	7	3	2	0.6810
5		increased financial statement understandability (improver qualitative feature)	2	2	7	12	12	0.3095
6		banks' financial statement quality	14	11	8	2	0	0.7310
No.	improved and upgraded supervision indicators		extremely important	important	somehow important	less important	unimportant	average
1	improved and upgraded supervision	community's perception of bank risks	13	10	6	4	2	0.6738
2		accountability	12	9	8	5	1	0.6595
3		bank risks	14	9	7	4	1	0.6905
No.	Developing entrepreneurship and maximizing people's participation in the economic indicators		extremely important	important	somehow important	less important	unimportant	average

1	Developing entrepreneurship and maximizing people's participation in the economy	Securing the interests of a larger stakeholder group	0	2	8	12	13	0.2738
2		international pressures	12	11	9	2	1	0.6952
3		political costs of banking activists	0	4	6	10	15	0.2786
4		attention to the rights and interests of minority shareholders	12	9	8	6	0	0.6643
5		accounting social responsibility	1	3	9	10	12	0.3190
6		maintaining bank reputation	12	10	7	5	1	0.6667
7		entrepreneurship and employment	13	11	8	3	0	0.7119
8		The share of the banking sector out of the GDP	14	10	5	4	2	0.6857
9		banks' resource allocation process	12	10	6	5	2	0.6548
10		investment	1	3	8	10	13	0.3071

Source: researcher's findings

Based on the average scores of the indicators in each dimension, 16 indicators were obtained which have been presented in Table 2 under the four main dimensions.

Table 2: the indicators and their main areas

main areas	indicators
transparency and reduction of corruption	increased transparency, Profits and tax issues, Cost of accessing bank information
balance sheet quality	Honest expression, financial statement comparability, financial statement reliability, Quality of banks' financial statements
improved and upgraded supervision	the community's perception of banking sector risk, accountability, bank risk
international pressures	attention to the rights and interests of minority shareholders, maintaining bank reputation, employment and entrepreneurship, the share of the banking sector out of the GDP, and the process of resource allocation by the banking network

5.2. The Second Research Question

The second question: How the indicators influenced by the application of international financial reporting standards used by banks to prepare financial statements based on the framework of resistance economy influence one another?

At this stage, pairwise comparison questionnaires were handed out to 35 expert professionals using fuzzy DEMATEL. At this stage, a pairwise comparison questionnaire was prepared and distributed to collect the opinions of professional experts aiming to calculate the relative influence of each of the studied areas. After data were extracted from comparison tables, the maximum frequency of every two indicators' compliance was obtained based on oral data obtained from experts' opinions. It must be mentioned that equal weights were allocated to the answers of all respondents. Table 3 demonstrates the results:

Table 3: the causal matrix of indicators influenced by the application of international financial reporting standards in the preparation of banks' financial statements in the resistance economy framework

R-C	R+C	sum C	sum R		-
11.01	94.14	41.57	52.57	increased transparency	c1
5.05	85.32	40.14	45.19	Profits and tax issues	c2
-6.93	78.23	42.58	35.65	Cost of accessing bank information	c3
4.89	79.74	37.43	42.31	Honest expression (qualitative characteristic)	c4
3.46	88.40	42.47	45.93	financial statement comparability	c5
1.98	75.60	36.81	38.79	financial statement reliability	c6
-6.99	65.56	36.27	29.28	Quality of banks' financial statements	c7
-5.14	78.33	41.73	36.59	the community's perception of banking sector risk, accountability	c8
6.48	95.89	44.71	51.18	accountability	c9
0.54	93.21	46.33	46.87	bank risks	c10
-3.08	90.17	46.63	43.55	international pressures	c11

R-C	R+C	sum C	sum R		-
-1.86	93.40	47.63	45.77	attention to the rights and interests of minority shareholders	c12
-6.33	86.58	46.46	40.13	maintaining bank reputation	c13
-2.89	86.03	44.46	41.57	employment and entrepreneurship	c14
3.05	91.13	44.04	47.09	the share of the banking sector out of the GDP	c15
-3.23	92.90	48.06	44.83	the process of resource allocation by the banking network	c16

Source: researcher findings

Results of Table 3 indicate that the indicators of increasing transparency, accountability and the banking industry's share out of the GDP have the greatest impact on other variables while the variables of international pressures, attention to the interests and rights of minority shareholders, maintaining the reputation of the banks, and banks' resource allocation process have the highest interaction with other variables. On the other hand, the variables of increased transparency, profit and tax issues, honest expression (qualitative characteristic), financial statement comparability, financial statement reliability, accountability, banks risks, and the banking industry's share out of GDP act as causal variables in the system while the variables of the cost of accessing bank information, the quality of banks' financial statement, the community's perception of bank risks, attention to minority shareholders' interests and rights, international pressures, maintaining bank reputation, employment and entrepreneurship, and the process of resource allocation by the banking network are the affected variables.

6. Discussion and Conclusions

The preparation of bank financial statements based on the new regulations of international financial reporting standards is mandatory according to the Central Bank's circular (No. 343723/94 dated 2/13/2015). Thus, although previous studies have been conducted on evaluating the needs and investigating of the application of international accounting standards in Iran, few studies have been conducted on the present study's subject. Besides, accounting can be considered as a social phenomenon as mentioned earlier. In this case, the application of financial statements prepared according to a set of pre-determined and global standards can have economic, social, political, legal, educational, and even religious consequences; so the investigation of these potential consequences in social, political, and economic areas in the framework of

resistance economy which is the goal of the present study is of great significance. Moreover, examining the results of the decisions made in respective areas in the framework of this strategy is undeniably important considering that a resistance economy is the main strategy of Iran and includes social, cultural, and political aspects.

Thus, the authorities with any capability at any organizational level and in all cultural systems must be encouraged to pay the necessary attention to the factors influencing the evaluation of the indicators influenced by the application of international financial reporting standards in the preparation of financial bank statements in the resistance economy framework. The main suggestions are presented as follows:

- Development of a strategic plan for experts and managers –particularly the studied banks– addressing transparency increase in the case of variables influenced by the application of international financial reporting standards in the preparation of financial bank statements in the resistance economy framework
- Taking advantage of educational workshops and consecutive meetings on clarifying the variable of transparency in variables influenced by the application of international financial reporting standards in the preparation of financial bank statements in the resistance economy framework
- Paying the required and adequate attention to the share of the banking industry out of GDP
- Investigation of the prioritization of factors influenced by the application of international financial reporting standards in the preparation of financial bank statements in the resistance economy framework compared to other decision-making models such as Vikor and Prometheus.

- The use of performance evaluation to assess the efficiency of models such as data envelopment analysis models

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