

USE OF XBRL (EXTENSIBLE BUSINESS REPORTING LANGUAGE) IN FINANCIAL REPORTING OR SIGNIFICANT EFFECTS OF XBRL IN FINANCIAL REPORTING

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Abstract

XBRL is software based technology which provides a standard format for reporting financial statement and information in an automated and electronic mode so that it can be easily available for various stakeholder, less time consuming manner, in less efforts and in analytical manner. In physical reporting system there are many risks associated with this like human errors, delay in time, lengthy, not readily available for decision making etc. In any format of financial reporting it's very difficult to identify various items of financial and non-financial information relevant to business decisions by stakeholder. Main objective behind developing XBRL system of financial reporting is to tag (in an XML-based framework) every piece of information is to be considered relevant to business reporting and decision-making. XBRL would enable too easy, efficient and effective search and reporting of such information that is considered relevant in decision making, and also facilitate the continuous monitoring and auditing of such information of data which is to be stored in XBRL reporting system. When the XBRL format of financial reporting becomes more widely used internationally then Feasibility and desirability of using XBRL financial reporting system on a more widespread and even mandatory basis in the future by any of the regulatory

authority. Both (XBRL taxonomy and XBRL framework) indicate that financial reporting technology is now moving into actual an applicable, digital and international comparable electronic form that is widely used by stakeholder. Tradition format of reporting is (including paper, pdf, excel, etc.) Replacing by XBRL reporting which is full of information and communication technology.

Introduction

XBRL (eXtensible Business Reporting Language) is a one of the recent trends in accounting and auditing that attract use range of accounting professional. A good financial reporting of financial statement is creditability and brand equity of corporate so that, use of XBRL (eXtensible Business Reporting Language), provides a good images of corporate in the mind of stakeholder. The main objective of XBRL is to explore the quality of financial reports and the accounting profession. Stakeholder have had to face various issues related to financial reporting and presentation of financial information in financial statement such as accuracy, Understandability, truthiness and interpretability and as well as there are also some potential risks associated with financial reporting. By using the XBRL format of financial reporting, then the contextual and accessibility qualities of financial reporting have been greatly improved and also improved creditability, truthiness, transparency and sustainability of those financial reporting. In XBRL reporting, the issue of accuracy has become strength of XBRL reporting because due to the smaller and less comprehensive quantity of data is to be stored in XBRL reporting system. XBRL reporting of financial statement, reports generally display a quality superior in comparison to non-XBRL formatted financial reports in quality oriented features. The quality of XBRL-filling financial reports uploaded in the database is to be improving day by day. XBRL has directly affected to accounting professional, because accounting firms need to hire those accounting professional who are expertise in XBRL reporting. Growth possibility of corporate entity with XBRL reporting is much high in comparison to any other format of reporting.

Meaning of XBRL (eXtensible Business Reporting Language)

It is a hyperlink or a process of providing foster search and analysis of financial information or Accounting information system. XBRL is a specialized subsystem of the MIS that's purpose is to collect, process, and report of financial

information related to the financial aspects and non financial aspects of business event

XBRL (eXtensible Business Reporting Language) is an application of XML technology to stored metadata on data sheet or in XBRL reporting format on XML, so that computers can read the content of financial and non financial information to provide faster search and made financial analysis easy.

In simple words XBRL is a standard format of presenting financial data. XBRL is an open specification that uses XML structure for reporting financial information to stakeholder in automated electronic processing.

Characteristics of XBRL (eXtensible Business Reporting Language)

Emergence of extensible business reporting language, which has a full potential to grow in near future.

Electronic disclosure can be distributed through various channels like including email, website disclosure and conference call etc.

In XBRL financial reporting system data will be presentation in standard format, web pages HTML, ASP or PHP with Excel, Word, PDF and XBRL download etc.

In XBRL reporting system uses XML which is intended to use in digital files, also permitting data swapped between heterogeneous systems and peer system.

While using or adopting XBRL reporting system then investors will increase their demands for fast access to precise financial information.

In XBRL reporting system that provides the financial community with a standards-based method to prepare, publish, reliably extract and automatically access of financial information to various stakeholder.

In XBRL reporting system has prove that XBRL technology has more value in comparison to traditional reporting and has a bigger impact on a professional and accountant's work because it has a current HTML technology which probability of delay and human error.

In XBRL system of reporting has a Broadcasting power from an information supplier to an information consumer is intent to provide a faster rate of information.

In XBRL reporting system that presented financial information in automatically calculated and converted into individual analysis a tool that provides easy access to various stakeholders.

In XBRL reporting system, Manual data conversion process can be eliminated.

Transparency and Information Integrity in XBRL (extensible Business Reporting Language).

Practical solutions to data exchange between heterogeneous information systems.

Reduce complexity of accounting data and provides easy analysis of financial data, fast and relevant

Financial information is to be readily aggregated and disaggregated in XBRL reporting systems.

XBRL reporting system allows decision makers to readily analyze financial statements and financial information then it is call tools of analysis of big data in relevant data.

Impact of XBRL (eXtensible Business Reporting Language) in financial reporting

XBRL is a standard reporting system that enables assembly and distribution of business information and XBRL provide a standardized format of reporting financial information or data in order to describe system-to-system information exchange.

It revolutionaries financial reporting systems because it is a combination of information and communication technology that is preferably used in almost all the sector.

XBRL is the formation of a standard format that permits every piece of financial information or data to contain within corporate financial reports in XBRL format like primary annual reports or the notes and schedules in financial reporting.

XBRL is a recent trends and modern accepted trends that new way to report and present financial information to various stakeholders in precious manner that makes that available as a decision maker.

XBRL is a standard reporting system that specifically designed for financial and business reporting that reduces human errors and delay in data processing so that financial information can be easily accessible to various stakeholder.

With Increased in global issues that coupled with standard and superior regulatory framework, rising risk awareness and other responsible factors have made it essential for companies to accept and adapt XBRL financial reporting standard in other to succeed in providing accurate, exact and reliable financial statement or financial information to various stakeholder.

XBRL is widely expected by professionals and accountant and also regulatory bodies are also supported or in favor to accept it. XBRL affect the future of international financial reporting and XBRL is a future of financial reporting.

XBRL provides lots of benefits such as automation, cost saving, faster, more reliable and more accurate handling of data, improved analysis and presentation of better quality of information and decision-making aspects. Most of the organizations use XBRL to save costs and improve efficiency in handling business data and financial information in a precious manner.

XBRL is a significant and a strong component for re-structuring and re-engineering information reporting system processes within the corporate world and also to cope up across the corporate reporting supply chain.

Auditors provided that assurance services to be enhanced to address the attributes of a format in which information is instantly accessible and re-usable in an automated manner.

Review of literature

Gunn, J. (2007) Study concludes that XBRL is a standard language of presenting business report with the advancement of information and communication technology. There are many benefits that are available by using XBRL instead of using traditional languages of presenting business report like-analytical software, small content are also available and reduction in human errors, and online presenting etc. XBRL is a communication language that addressed to various stakeholders in detail manner and analytical manner so that they can use this information in decision making. It is hypertext reporting languages that disclose all the facts and figure of corporate in analytical manner and each and every transaction of reporting is included in it.

Abdullahi, S. (2011) Study reveals that XBRL is beneficial in many aspects like eliminate human errors, automatic metadata reporting, analytical aspects, unlimited storing capacity of data, and single data is included in it. But when we see other aspects then some of the risk is also associated with XBRL like – software languages is depends upon I.T infrastructure, depends on mechanical aspects, each and every transaction is to be stored so it looks very rush and complication in consideration aspects. Many stakeholders haven't familiarity with XBRL and even they only heard about it so it is very difficult use it in proper way. In XBRL also lead to human errors through a lack of confidence in the system. XBRL work is letting out or outsourced then it increase cost, and also in outsourcing privacy of data is not to be maintained. By using XBRL, transparency level of business transaction and financial statement is maintained or increase between stakeholder and management and also security is to be provided by using XBRL.

Zik-Rullah, A. (2015) study reveals that XBRL is hyperlink text software that is designed in specified format for reporting business transaction in detail ways so each and every part is contended in it. XBRL is benefited in many ways to stakeholder like analysis of accounting data is ready made, fast information, and single part is also available in it. In this study chi square is conducted for the purpose of finding out awareness of XBRL on accounting professionals so study conclude that most of the professionals are aware about XBRL and use it. They are more benefited by using it.

Conclusion

XBRL (extensible Business Reporting Language) is an application of XML technology to stored metadata on data sheet or in XBRL reporting format on XML, so that computers can read the content of financial and non financial information to provide faster search and made financial analysis easy. XBRL is software based technology, in this standard format of reporting data is stored and single event is also to be reported and by automatic reporting in format in a analytical manner. XBRL has following advantages like- reduction in human errors of reporting, automatic reporting with less effort, analytical reporting of financial reporting which made easy decision making process, standard format of reporting, online reporting, so instant communicated or addressed to various stakeholder and it becomes public documents after reporting, less costlier in comparison to traditional reporting, connected with information and communication, information is aggregated or disaggregated, unlimited storing and easy process of reporting. All those benefits is attracted to all the professional, accountant, uses and also from the viewpoint of accounting firms and corporate, all are expected to benefits all this features by using it. XBRL is made them capable to grow with latest technology and compete with their professional's carrier.

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