

The Impact of Accounting Reform in Algeria on the National Electronic Industries Corporation under International Accounting Standards IAS/IFRS

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Abstract:

This study aims to identify the impact of accounting reform on accounting practices in industrial enterprises after more than 10 years of application. the National Corporation for Electronic Industries in Sidi Bel Abbas was selected as a case study. To answer the problem presented, the statistical analysis program SPSS was used to analyze a submitted questionnaire and the interview was used to test the hypotheses. The study concluded that the impact of the accounting reform was positive on the accounting practices in the company, but it has not yet achieved the desired objectives of the accounting reform process.

Keywords: Accounting Reform, Accounting Practices, International Accounting Standards, Financial Accounting System.

JEL Classification: M41.

أثر الإصلاح المحاسبي في الجزائر على المؤسسة الوطنية للصناعات الإلكترونية في إطار المعايير المحاسبية الدولية

ملخص :

تهدف هذه الدراسة إلى التعرف على أثر الإصلاح المحاسبي على الممارسات المحاسبية في المنشآت الصناعية بعد أكثر من 10 سنوات من التطبيق. ولقد تم الاعتماد على المؤسسة الوطنية للصناعات الإلكترونية بسبدي بلعباس كدراسة حالة للإجابة على المشكلة المطروحة، بحيث تم استخدام برنامج التحليل الإحصائي لتحليل استبيانه موزعة واستخدام منهجية المقابلة لاختبار الفرضيات. ونخلصت الدراسة إلى أن أثر الإصلاح المحاسبي كان إيجابيا على الممارسات المحاسبية في الشركة، لكنه لم يحقق جميع الأهداف المرجوة من عملية الإصلاح المحاسبي.

الكلمات المفتاحية : إصلاح محاسبي، ممارسات محاسبية، معايير محاسبية دولية، نظام محاسبي مالي.

تصنيف JEL : M41.

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1. Introduction :

In order to reach accounting harmony and facilitate arrangements and transactions between enterprises around the world, more than 160 countries has adopted international accounting standards IAS/IFRS as a unified accounting language to provide reliable financial information to different users all over the globe. Considering that Algeria has changed its economic orientation towards capitalism rather than socialism. It has been able to launch several reforms at the economic level, especially to create a good investment environment in order to upgrade transactions on the one hand and attract foreign investments on the other. So, it became necessary for Algeria to review many fields such as accounting practices by adopting the financial accounting system based on international accounting standards IAS/IFRS in 2007. However, the reform process came under special circumstances. But after more than 10 years of application, it is assumed now that the image of accounting reform in Algeria is clearer. It is also assumed that all the factors behind the success of this accounting system have been materialized and the Algerian enterprise has adopted this system in an efficient way. Not forget to mention the role of experts and accounting practitioner's presence in the reform process and how they should master this new perspective towards the internationalization of accounting practices in the Algerian enterprise. Especially the industrial one such as the National Electronic Industries Corporation "N.E.I.C". But now, Algeria is facing a real battle and a race against time to achieve sustainable development as well as to reduce dependency on external markets by seeking to develop the industrial sector in order to build a strong national industry based on the use of modern technical and technological methods.

1.1. The Research issue of the Study

It is clear that establishing this financial accounting system "FAS" was based on international standards and foreign institutions. But the special nature and the complexity of Algerian companies may neither have a positive impact on the Algerian companies nor the reform process itself. So, the problem of the study was identified by answering the following main question:

"To what extent does accounting reform in Algeria affect accounting practices in the National Electronic Industries Corporation in Sidi Bel Abbes?"

Departing from this research problem, we aroused these important secondary questions as follows:

- Have Algerian industrial companies been able to master the application of this financial accounting system?
- Has the application of the accounting reform's rules helped to raise the efficiency of accounting practices in the national electronic industries corporation in Sidi Bel Abbes?
- After more than ten years, are industrial companies still facing any obstacles in applying this accounting system?

1.2. The Study Hypothesis

Based on the main and secondary questions above, here are the following hypotheses as primary answers:

1.2.1. The Main Hypothesis

Thus, the null and alternative hypotheses are formulated as follows:

- (H₀): Accounting reform in Algeria has been unable to improve the accounting practices in the National Electronic Industries Corporation.
- (H₁): Accounting reform in Algeria has been able to improve the accounting practices in the National Electronic Industries Corporation.

1.2.2. The Secondary Hypotheses

Thus, the null and alternative hypotheses are formulated as follows:

- (H₀₁): Accounting reform in Algeria has been unable to improve the quality of financial information in the N.E.I.C.
- (H₁₁): Accounting reform in Algeria has been able to improve the quality of financial information in the N.E.I.C.
- (H₀₂): Accounting reform in Algeria has not made the N.E.I.C able to compare itself with other competitors over time.
- (H₁₂): Accounting reform in Algeria has made the N.E.I.C able to compare itself with other competitors over time.
- (H₀₃): Accounting reform in Algeria has not made accounting practices clearer and easier for the N.E.I.C.
- (H₁₃): Accounting reform in Algeria has made accounting practices clearer and easier for the N.E.I.C.

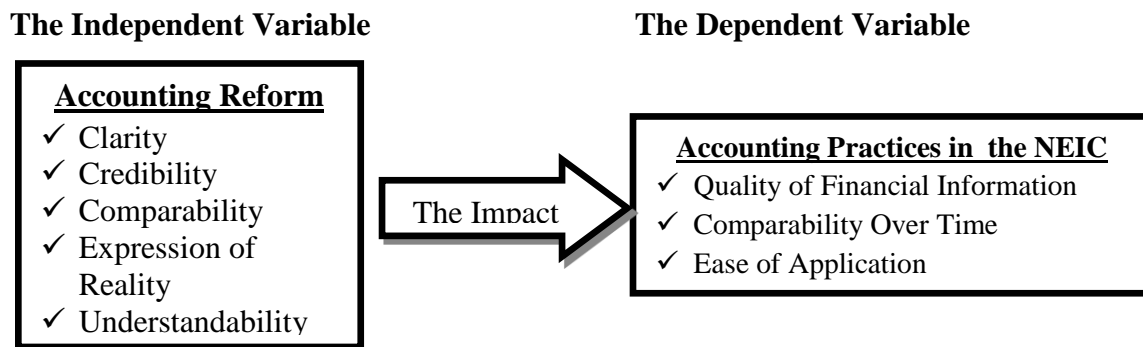
1.3. Objectives of the Study

The present study aims at identifying and clarifying some of the points as follows:

- Having an idea about accounting reform in Algeria and its impact on industrial companies, especially one of the well-known companies in Algeria.
- Learning more about accounting practices in the N.E.I.C.
- Finding out what has really changed in the N.E.I.C by adopting this new financial accounting system and its approach to IAS/IFRS.
- Trying to know the methodology and commitment of the National Electronic Industries Corporation towards applying accounting reform rules.
- Investigating and attempting to discover any obstacles encountered in the application.

1.4. Research Model of the Study

The model of the present study consists of two variables as it is shown in **figure 1**.



The source: by the researchers on the basis of Act n° 11-07.

Figure (1): Conceptual Model of the Study.

2. Theoretical Framework

2.1. Accounting practices

It's a routine method by which the day-to-day financial activities of a business entity are collected and recorded. It refers to the way in which its accounting policies are routinely implemented and adhered to, usually by an accountant, auditor, or team of accounting professionals in the enterprise.

Accounting practices (Nobes, 2011) aim to apply the company's guidelines and policies of accounting. It exists as the daily recording of financial statements that is important for evaluating and controlling a company's economic activities. It is necessary so that a company can produce the annual and legally required financial statements. Accounting practice also refers to the practical application of accounting or auditing policies that occur within the company. On a deeper level, in order to maintain its competitiveness (Lande, 2005) while adhering to certain standards of business conduct, accounting practices will apply accounting systems. These systems help to collect, store and process financial and accounting data that are used by decision makers throughout the company.

Even though, having a group of skilled accounting practitioners and computerized accounting systems means that both the efficiency and effectiveness of the accounting practices will improve over time.

2.2. Accounting Reform in Algeria

2.2.1. Definition

The accounting reform or the Financial Accounting System which is: **“A system organizing financial data so as to enable users to gather, classify, assess, record basic statistical data and present financial statements that faithfully reflect a corporate entity’s financial condition and asset base, as well as its performance and cash position at the end of the fiscal period”** according to (Act N°11-07, 2007)

So, The accounting reform process tried to change the view of accounting practices in Algeria by setting up a whole new conceptual framework for accounting standards, financial reporting and a chart of accounts that made financial statements comparable, an easy way to read by all kind of users and reflects the true image of any entity and a lot easier for foreign investors and multinational companies to use.

2.2.2. An Overview on Accounting Reform in Algeria

Shortly after Algeria gained its independence in 1962, it was important to establish and develop an accounting system in line with the new political and economic orientations and suits the environment and culture of its people and institutions in the same time, but the absence of any accounting authorities enforced Algeria to maintain using the previous colonizer accounting system (Saidi, 2013) known as the French General Accounting Plan **“PCGF”**. Therefore, in April 1975, Authorities **“the National Accounting Foundation”** with the help of the National Institute for Planning and Economic Studies decided (Merdaci, Zerguine, 2018) to replace the PCGF by entirely new domestic accounting system: the National Accounting Plan because it was no more suitable (ketouche, bekihal, 2016) for the socialism system and the new socialist enterprise.

By adopting the planned economy as well as the National Accounting Plan **“NAP”**, Algeria tried to cut off all ties with the previous colonial administration. But shortly in the mid-1980’s, Signs of an economic crisis were emerging because of the collapse of oil prices worldwide. That effected trade balance, payments balance and even the social environment pushing Algeria towards reviewing its laws again to adapt with this inevitable

situation. Remarkably, one of the most important laws (Menadi , bachir, 2018) introduced at the time was the autonomy of economic institutions, which required the restructuring of those institutions from social economic institutions to independent public ones, which became required more accounting practices rather than general accounting such as analytical accounting. The hard socioeconomic situation made laws reviewing very hard and even necessary, but the National Accounting Plan was entirely out of the picture. So, it has not been reviewed for a very long time (ketouche, 2009) which is truly questionable despite that Algeria abandoned the planned economy and replaced it with capitalism and open markets policy after these historical events.

So, there was a problem by maintaining an accounting system “NAP” that was compatible with Algeria's socialist orientations but not in line with the new capitalism view. Surprisingly, the government didn't see it at all for more than 20 years and things stood the same for accounting. But in the late of the 1990's, Algerian leaders discovered that the NAP was no longer useful for independent enterprises. It was late for that but even though, the true process began by following a road plan to achieve a serious accounting reform in Algeria. So, The National Accounting Council started reviewing the NAP by choosing one of the three possible following scenarios:

1. Maintaining the NAP and adding a range of adjustments to meet with economic needs as a newer version “NAP 2.0”.
2. Keeping the NAP principals and adding a new technical solutions and treatments proposed by the International Accounting Standards Committee “IASC” and that would suit the foreign investor's needs, but this would create a kind of confusion and open a way to contradictions in the future.
3. Creating an entirely new version of National Accounting Plan based on the rules and applications recognized by the International Accounting Standards Committee.

After testing these options by The National Accounting Council “NAC”, the third option was chosen in September 5th, 2001. So, the previous accounting system “NAP” days were coming to an end, after six years, the NAP was officially replaced by establishing a New Financial Accounting System, a financial system in line with international accounting standards IAS/IFRS and importantly favored by both the International Monetary Fund “IMF” and the World Bank.

But the establishing of this FAS was based on IAS/IFRS even that Algeria is not an IAS/IFRS adopter. And that was to dedicate the importance of the national sovereignty of this independent and democratic nation.

2.2.3. Goals for Algeria's Approach to IAS/IFRS

Considering changes towards economic globalization and the emergence of financial markets worldwide over the last 20 years, Algeria had nothing but to adjust to all these new global political and economic events. Many studies, such as (Benbelghit, 2004), (Bellaouer, 2014) and (Bouarar, 2017) mentioned that it was crucial to review the accounting practices in Algeria before and after the reform process itself. But whether it's a choice or an obligation, it remains a controversial issue (Chikhi, Fekir & Ouarab, 2017) . However, these are a bunch of goals for Algeria's approach to IAS/IFRS:

- Trying to attract more foreign investors by the internationalization and the standardization of accounting practices towards IAS/IFRS.
- The MENA region that achieved a growth rate of 2.8 % in the period of 2003-2017 (World Bank, 2018) and Inter-Arab investment projects total cumulative value of 337 billion dollars in the period of 2003-2017 (OCDE, 2018). That forced Algeria to take the things seriously and start a policy of economic relocation by launching a series of economic reforms even accounting.
- Simplifying financial transactions between Algerian and foreign companies.
- Creating a new system that simplifies and clarifies the method of recording some complex accounting operations that the previous accounting system "NAP" couldn't solve.
- Benefit from the developed and emerging countries experiences such as United States of America, China, Russia, Brazil, South Africa and Turkey.
- Enabling the enterprise to compare with itself over time and with several other enterprises.
- Reflecting a true and honest picture of the financial situation and performance.
- Providing reliable financial information to all types of users such as shareholders, lenders, government agencies, workers and managers.
- Creating an easy and unified way to read financial statements correctly by all users without heading to experts.
- Giving priority to the economic reality over the legal picture of any enterprise.

3. Methodology

3.1. Sample and Data Collection

In order to study the impact of the accounting reform on accounting practices in the National Corporation for Electronic Industries in Sidi Bel Abbas, a set of methods has been used to collect data as the following:

3.1.1. Questionnaire: To empirically investigate the impact of the accounting reform on accounting practices, all eighteen (18) accountants in the company were selected as a sample to reach the objectives of the study. Therefore, a questionnaire submitted to all accountants divided over the following six units: the electronic insertion unit for televisions and mobile phones, the solar panel unit, the research and development unit, the appliance unit, the general's mains unit and the supply unit. This questionnaire was submitted to support the fact that what was observed and what was stated by these officials reflects the reality of the accounting practices in this company.

3.1.2. Interviews: Interviews used to get to know how the company's accountants handled some specific operations like evaluation methods and how to prepare some accounts and compare that with the principles of the financial accounting system's rules, as well as to identify the most important difficulties facing the company in applying this system. In addition to obtain some clarifications about some other accounting methods and techniques. We also relied on the interview to investigate if the accountants' statements match the questionnaire outputs.

So, we interviewed 12 accountants separately. The interviews took around 25 minutes

to 50 minutes for each one. However, all these twelve accountants have more than 10 years of experience in the company.

3.2. Measuring of Variables :

This section describes the variables used for measuring the efficiency of the accounting reform process and its impact on the company's accounting practices as follows:
-Accounting reform: This scale was based on (Act N°11-07, 2007) multiple items (five-point Likert-type scales) were used for measuring efficacy determinants of accounting reform.

-accounting practices in the N.E.I.C: Hence, multiple items (five-point Likert-type scales) were used to measure the impact of accounting reform on accounting practices in the national electronic industries corporation in Sidi Bel Abbas.

3.3 The Statistical Tools

The following statistical tools have been used in order to answer the questions of the study:

a. Test of Normality: In order to define if the distribution is normal, we use the **Shapiro-Wilk Test** (Shapiro & Wilk, 1965).

b. Runs test: We use this method to test randomness and impartiality of the researchers in the study.

c. descriptive statistic measures: By using averages and deviations to precise the proportional significance of the sample individuals and response towards the axes and the dimensions of the study variables.

d. Spearman Correlation Coefficient: To measure the effect and strength of the relationship (Spearman, 1910) between the study variables.

4. Results and Discussion :

4.1. Testing the Normality :

Since the sample of the study consists only 18 accountants, we need to know if the distribution is normal. So, we use The Shapiro-Wilk Test to determine what tests we should use (parametric or non-parametric tests) because the sample of the study is less than 30 accountants.

The Shapiro-Wilk Test is used in order to test the normality of the distribution of the study. As long as the Shapiro-Wilk value is less than the confidence level, we say that the distribution is normal. If not, we say use the non-parametric tests.

However, the results shown in **Table 1** refers that the accounting reform distribution is normal but the accounting practices in not which we have to use the non-parametric tests according to (Shapiro & Wilk, 1965).

Table (1): Test of Normality of the study

Shapiro-Wilk Test	The axes of the study	Significance
		Accounting reform
	Accounting practices	0.438

The source: realized by the researchers on the basis of the SPSS results.

4.2 Testing the Randomness

The **Runs test** is used to determine whether the randomness of the sample selection and the non-interference by the researchers is respected in the study. **Table 2** clearly shows that the significance of each axe of the study is higher than the confidence value ($\alpha < 0.05$) which means that the randomness condition is respected according to (Wald & Wolfowitz, 1943).

Table (2): Test of Randomness of the study

Runs Test	The axes of the study	Mean	T value	Significance
	Accounting reform	3.511	3.2	0.168
	Accounting practices	3.811	3.68	0.466

The source: realized by the researchers on the basis of the SPSS results.

4.3. Descriptive statistic measures

4.3.1. The impact of accounting reform on the N.E.I.C in Sidi Bel Abbas

Table 3 shows that estimation degree of the impact of accounting reform was average from the point of view of the N.E.I.C's accountants. Its arithmetical average reaches (3.51). There's also a difference in the existence of each dimension of accounting reform. The highest is the understandability with a high degree and arithmetical average of (3.61) and a standard deviation of (0.91). The second is the credibility with a medium degree and an arithmetical average of (3.55) and a standard deviation of (1.09).

The third is the expression of reality with a medium degree and arithmetical average of (3.50) and a standard deviation of (0.85). Clarity and Comparability both came last with the same arithmetical average of (3.44) but not the same standard deviation of (0.85, 1.04) respectively.

These results reflect that **the accounting reform had a positive impact on the N.E.I.C** by making the accounting process more understandable, credible and able to express the reality of this company. However, the clarity and the comparability got less impact.

Table (3): Descriptive statistics of dimensions of accounting reform

Order	Ranking of dimensions of accounting reform	arithmetical averages	standard deviations	Estimation degree
01	Clarity	3,4444	0,85559	Medium
02	Credibility	3,5556	1,09664	Medium
03	Comparability	3,4444	1,04162	Medium
04	Expression of Reality	3,5000	0,85749	High
05	Understandability	3,6111	0,91644	Very High
The Total Arithmetical Average		3,5111	0,71693	High

The source: realized by the researchers on the basis of the SPSS results.

4.3.2. The accounting practices in the N.E.I.C in Sidi Bel Abbas

Since the arrival of the F.A.S, accounting practices have changed in the N.E.I.C. Shown in **Table 4**, the estimation degree of accounting practices was high according to the accountants. Its arithmetical average of (3.81). There's also a difference in the existence of each constituent of accounting practices. The highest is the Ease of application with a high degree and arithmetical average of (4.07) and a standard deviation of (0.47). The second is the Quality of financial information with a medium degree and an arithmetical average of (3.83) and a standard deviation of (0.71). But Comparability over time came third with a medium degree and arithmetical average of (3.52) and a standard deviation of (0.64).

These results reflect that establishing this F.A.S changed accounting practices in the N.E.I.C by **making the financial information more reliable, easy to apply and able to compare the company with itself or its competitors over time.**

Table (4): Descriptive statistics of dimensions of accounting practices in the N.E.I.C

Order	Ranking of dimensions of accounting practices in the N.E.I.C	arithmetical averages	standard deviations	Estimation degree
01	Quality of Financial	3,8333	0,71629	Medium
02	Comparability Over Time	3,5278	0,64105	Medium
03	Ease of Application	4,0741	0,47905	High
The Total Arithmetical Average		3,8117	0,55707	Medium

The source: realized by the researchers on the basis of the SPSS results.

4.4. Testing the Hypothesis

It's essential to test the hypothesis to obtain results and make suggestions that highlight the importance of the present paper as follows:

4.4.1. The main hypothesis

In order to make sure that main hypothesis is true, which is:

-The null hypothesis (H_0): Accounting reform in Algeria has been unable to improve the accounting practices in the National Electronic Industries Corporation.

First of all, we need to check if the accounting reform has a statistical significance ($\alpha < 0.05$) on accounting practices in the N.E.I.C. If not, we reject the null hypothesis and accept the alternative one (H_1): Accounting reform in Algeria has been able to improve the accounting practices in the National Electronic Industries Corporation.

Table 5 shows a Spearman Correlation Coefficient of testing the impact of accounting reform on accounting practices in the N.E.I.C.

The table clearly indicates that the value of coefficient is ($S_p = 0.868$) which means that variable of accounting reform has a high positive impact on the accounting practices in the N.E.I.C.

Since the value (Significance Level = $0.000 < 0.05$), we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1) which means that the accounting reform had a positive impact on accounting practices in the N.E.I.C according the company's accountants.

Table (5): The results of Spearman Coefficient of testing the impact of the accounting reform on accounting practices in the N.E.I.C.

The independent variable	Spearman Coefficient	Significance level
Accounting reform	0.868	0.00000
Estimation degree	High Positive Impact	

The source: realized by the researchers on the basis of the SPSS results (*sig $\alpha < 0.05$).

We also need to test the minor hypotheses inspired from the main one which is related with the accounting practices dimensions.

4.4.2. The First Minor Hypothesis

- The null hypothesis (H_{01}): Accounting reform in Algeria has been unable to improve the quality of financial information in the N.E.I.C.

Table 6 shows a Spearman Correlation Coefficient of testing the impact of accounting reform on the quality of financial information in the N.E.I.C.

Table 6 clearly indicates that the value of the coefficient is ($Sp_1=0.863$) which means that variable of accounting reform has a high positive impact on the variable of the quality of financial information in the N.E.I.C.

Since the value (Significance Level = $0.000 < 0.05$), we reject the null hypothesis (H_{01}) and accept the alternative one (H_{11}) which means that the accounting reform had a positive impact on the quality of financial information in the N.E.I.C according the company's accountants.

Table (6): The results of Spearman Coefficient of testing the impact of the accounting reform on the quality of financial information in the N.E.I.C.

The independent variable	Spearman Coefficient	Significance level
Accounting reform	0.863	0.00000
Estimation degree	High Positive Impact	

The source: realized by the researchers on the basis of the SPSS results (*sig $\alpha < 0.05$).

c. The Second Minor Hypothesis:

- The null hypothesis (H_{02}): Accounting reform in Algeria has not made the N.E.I.C able to compare itself with other competitors over time.

Table 7 shows a Spearman Correlation Coefficient of testing the impact of accounting reform on comparability over time in the N.E.I.C.

Table 7 clearly indicates that the value of the coefficient is ($Sp_2=0.850$). This means that variable of accounting reform has a high positive impact on the variable of the quality of financial information in the N.E.I.C.

Since the value (Significance Level = $0.000 < 0.05$), we reject the null hypothesis (H_{02}) and accept the alternative hypothesis (H_{12}) which means that accounting reform in Algeria has made the N.E.I.C able to compare itself with other competitors over time according the company's accountants.

Table (7): The results of Spearman Coefficient of testing the impact of the accounting reform on Comparability over time in the N.E.I.C.

The independent variable	Spearman	Significance level
Accounting reform	0.850	0.00000
Estimation degree	High Positive Impact	

The source: realized by the researchers on the basis of the SPSS results (*sig $\alpha < 0.05$).

d. The Third Minor Hypothesis:

- The null hypothesis (H_{03}): Accounting reform in Algeria has not made accounting practices clearer and easier for the N.E.I.C.

Table 8 shows a Spearman Correlation Coefficient of testing the impact of accounting reform on the ease to use in the N.E.I.C.

Table 8 clearly indicates that the value of the determination coefficient is ($Sp_3=0.765$). This means that variable of accounting reform has a high positive impact on the variable of the ease of application in the N.E.I.C.

Since the value (Significance Level = $0.000 < 0.05$), we reject the null hypothesis (H_{03}) and accept the alternative one (H_{13}) which means that accounting reform in Algeria has made accounting practices clearer and easier for the N.E.I.C according the company's accountants.

Table (8): The results of Spearman Coefficient of testing the impact of the accounting reform on Ease of Application in the N.E.I.C.

The independent variable	Spearman	Significance level
Accounting reform	0.765	0.00000
Estimation degree	High Positive Impact	

The source: realized by the researchers on the basis of the SPSS results (*sig $\alpha < 0.05$).

4.5 The Interview Results

The accountants were selected based on having more than 10 years of experience in the company (66%). The selected accountants have a university degree in accounting at least (100%). On the top of that, they have benefited from a professional formation specialized in the financial accounting system that lasted more than a year and master the basics of IAS/IFRS (100%). The interviews lasted around 40 minutes in average.

- All sample members agreed that the production equipment in the company was registered by the historical value in accounting books (100%), but it was re-evaluated by relying on the fair value, which enhances the use of IFRS 13.

- At the matter of the quality of financial information, (83%) of the accountants mentioned that the accounting reform's rules improved the quality of financial information, but (17%) of them said that the absence of an effective financial market prevented the good application of the financial accounting system in the company. However, accounting department chef in the Electronic Insertion Unit for Televisions and Mobile Phones and Phd student Amine BENKABOU mentioned that the process of re-evaluating takes place every 3 years and that is considered as a good way to promote the application of accounting reform rules in the company.

- head of accounting and finance department Mohamed DJARMOUNI mentioned that The company can include the installments of less than 15000 dinars as expenses so that there is a clearer picture of the investments that achieve profitability in the company in order to not inflate the value of the investments value. He also mentioned that the company is now able to compare itself with other companies over time.

- in order to help decision-makers, hexagonal financial statements prepared by each accounting department in the company, that helped the company to prevent any mistakes from happening.
- Since the establishment of the N.E.I.C, the company's shares has not been opened for trading because its capital is exclusively owned by the state. So, the company has not opened its capital since 1978.
- All the accountants confirmed that there are no corrections for errors in the accounting records, due to the accountants' skills and the existence of an accounting information system.
- (66%) of accountants mentioned that application difficulties of this accounting reform's rules caused by external circumstances like the lack of an efficient financial market, but (34%) of them cited that these difficulties were caused by both external and internal circumstances.
- All accountants (100%) mentioned that the company never relied on financing leases because of the inconsistency with the tax law.
- When it comes to guaranties, it is considerable for individuals when they purchase the company's products like mobile phones or televisions. But a discount is offered rather than a guarantee for Solar panels.

5. Conclusion

As a matter of fact, accounting reform in Algeria was the result of many internal and external factors imposed on Algeria inevitably to reconsider its accounting practices. That's why this process is one of the necessary processes that should have been taken 20 years ago.

In fact, this process helped to bypass many errors, loopholes and even save time. Especially when taking into account the international reference and the nature of the Algerian company "the family company".

Therefore, the appearance of many deficiencies after that caused by neglecting many circumstances. That's why undertaking serious and profound reform process requires common efforts and the intervention of all actors in the process without excluding any party so the enterprise can achieve more responsive to this reform and increase the quality of the financial statements that truly reflect its financial situation.

The attempt to update the current regulation with the updated IAS/IFRS and the rest of Algerian legislations will be an opportunity for the Algerian enterprise to apply this financial accounting system without been worry about the conflict between the FAS and the rest of the laws. It will even increase the opportunity for these enterprises to operate outside the country.

For the the National Electronic Industries Corporation, here are the results of this study:

- The impact of accounting reform on accounting practices was positive.
- Accounting reform made the quality of financial information better thanks to the accountant's skills when applying the F.A.S rules.

- Accounting reform made the company able to compare itself with other companies and with itself over time as a result of making the financial statements more reliable.
- Many difficulties facing compatibility between the financial accounting system and the tax system and that forced the company to rely on some old practices.

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