

Baxen is a public listed company that currently uses local Accounting Standards for its financial reporting. The board of directors of Baxen is considering the adoption of International Financial Reporting Standards (IFRS) in the near future. The company has ambitious growth plans which involve extensive trading with many foreign companies and the possibility of acquiring at least one of its trading partners as a subsidiary in the near future.

Required:

Identify the advantages that Baxen could gain by adopting IFRS for its financial reporting purposes. (6 marks)