European Journal of Business and Management www.iiste.org
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.8, No.32, 2016

Assessment of Assets Between Accounting Based on Islamic Thought and Accounting Based on International Accounting Standards "A Comparative Study"

Dr. ZiadAbdelHalimAltheebeh
Associate Professor, Zarka University – Jordan, Department of Accounting Information Systems

Introduction

Assetsare the essential constituentof the organization construction, where they are acquired andformed in both their parts,current and non-current through the life of the organization and in different dates.In addition, within an economy that is heading mostly to inflation, this causes a big problem for most professional bodies that legislate accounting standards in most countries, including the international Accounting Standards Board in ways of assessing these assets, particularly as they adopt the principle of historical cost, which showed faults in assessment. Thus, to address the faults of bases of historical cost, the opinions tend towards the concept of fair value as the basis for measuring these assets wherever possible, specifically since this assessment originally has a history in accounting that embodies in Islamic economic thought which was applied in for centuries and has confirmed its effectiveness.However, the political changes, the colonial and the appearance of greedy capitalism, which lean towards the rich at the expense of the poor, as well as tends to the strong party at the expense of the weaker party, neglected the economic role of Islamic thought, particularly the accounting in addressing many economic and accounting problems. The best example of this, the global economic crisis in 2008.Thus, many parties in the world and call for making the Islamic accounting thought, part of the solutions to this problem.

Islamic thought that adopts assessing assets based on fair value,contributes in improving quality of accounting information provided to different groups of users by providing appropriate and viable information for understanding and with high reliability.Furthermore, they contribute to making the accounting information comparable with the information of other organizations and among the same organization's financial lists for multiple periods.Therefore, this study introduces and defines the role of Islamic accounting thought in assessing assets by comparing it with traditional accounting thought which depends on international accounting standards and international financial reporting standards.

Significance of the Study

The importance of this study is that itshows the role, which the accounting Islamic thought can play in the assessing assets, based on the fair value, as opposed to traditional accounting thought thatassessesassets based on historical cost.

Study Objectives

This study aims to achieve the following objectives:

- Highlight the concept of fair value and the limitations and advantages of its application in financial accounting.
- Foundations and the nature of Islamic Accounting
- Drawing attention to the accounting Islamic thought and its role in solving accounting problems.

Study Problem

As a result of economic problems, global crises related to them,prices rising and inflation, within applying international accounting standards, including the historical cost principle, there have been many votes to assess assets at fair value rather than historical as a result of the failure of the latter in achieving qualitative characteristics of information. These have a benefit for the decision-maker in all economic sites in favor of fair value, which has multiple benefits for useful information in making decisions.

Since accounting Islamic thought depends on fair value in assessment since its origin, the main question in this studyis:

Is there a difference between assessingassets of accounting thought based on Islamic thought and accountingthought based on international accounting standards?

In addition, from the latter question following the sub-questions emerge:

1- Is there a difference in origin concept ofaccounting thought based on Islamic thought and accounting thought based on international accounting standards?

2- Is there a difference in money concept ofaccounting thought based on Islamic thought and accounting thought based on international accounting standards?

3- Is there a difference in assessing current assets ofaccounting thought based on Islamic thought and accounting thought based on international accounting standards?
4- Is there a difference in assessing non-current assets ofaccounting thought based on Islamic thought and accounting thought based on international accounting standards?

Study Hypotheses
There is no difference in assessing assets of accounting thought based on Islamic thought and accounting thought based on international accounting standards
In addition, from the latter hypothesis the following sub-hypotheses emerge:
1- There is no difference in money concept of accounting thought based on Islamic thought and accounting thought based on international accounting standards
2- There is no difference in the concept of money between the accounting thought-based Islamic thought and between accounting thought based on the International Accounting Standards
3- There is no difference in assessing current assets of accounting thought based on Islamic thought and accounting thought based on international accounting standards
4-There is no difference in assessing non-current assets of accounting thought based on Islamic thought and accounting thought based on international accounting standards

Study Methodology
The researcher used the inductive method in this study depending on previous and current situations. The researcher used books, magazines and scientists opinions as a reference of this study.

Keywords
- -accounting thought based on Islamic thought: accounting thought based on Islamic thought deducted from Quran, Hadiths of Prophet Mohammad (peace be upon him) and Muslim scientists.
accounting thought based on international accounting standards: current applied accounting in the world based on international accounting standards.

Theoretical Framework
Assets
Introduction
Organizations start their works with a capital that take the form of current assets and non-current, then these assets begin to increase or decrease through practicing operating, investing and financing activities throughout the life of the organization.

At the end of each yearthe organizations prepare their financial reports for their business and financial position, including assets, as they are assessed to see future benefits.Thus, within this context, the researcher is going to identify the assets from the point of view of accounting based oninternational accounting standards and assessing them from this viewpoint, at the same time identifying and assessing them in comparison withaccounting thought based on Islamic thought to see the differences and to reach the results that may be beneficial to the world of accounting.

Concept of Assets and theirProperties in accordance with IAS and FASB
American Accounting Standards Board issued in 1985the following definition, which is considered one of the most comprehensive definitions of assets: " Economic benefits expected to be obtained in the future and that the accounting unit acquired the right of control them as a result of events or operations happened in the past." (Altheebeh, 2011).
In line with this definition, there must be availability of three main properties in the assets,(Hanan, 2013) namely:
1- Existence of future economic benefits: That is, the asset must have a direct or indirect ability to provide the organizationwith service or utility either alone or in combination with other assets to achieve positive cash flows in the future.
2- Accounting unit's capability to control this benefit. That is, there is a correlation between the accounting unit and theasset, so that the unit is able to obtain (whenever it wants) the benefits or services for itself or support others to benefit from them.
3- The abilityofcontrolling the benefits and services has to be resulted from events or transactions thatactually occurred in the past and not hypothetical or expected.
Absenteeism of a property or more of the previous three properties conflicts with the existence of asset, whichmeansthat the asset should not be consideredan asset if the three properties have not been achieved together.

As for, assessing the asset, the International Valuation Standards Council (IVSC) defined it in the third criterion regarding assessing assets for the purposes of preparing financial statements and theirassociated accounts, it assesses the asset as: "are estimated amount that enables to exchange it with an asset in the date of assessment between a buyer and seller willing to hold atransactionand under a neutral market, where both of them have available enough information and have absolute freedom and without the presence of obligation on the completion of the transaction (Tariq, 2010).

The fair value is defined under international accounting standards as: "It is an amount that can be exchanged by an asset between a buyer and a seller; both of them have the knowledge andwill to complete the transaction.The transaction takes place in a balanced framework and the balanced transaction within this meaning is defined as a transaction that is done among parties, that have no relationship or dependency and is made between a willing buyer and awilling seller both are working to get the greatest benefit for themselves.Pricing in such transactions is based on fair market values, because negotiation is done within the best condition and under normal conditions.

In addition, the International Accounting Standards Committee of the International Federation of Accountants identified the concept of fair value in many of the accounting standards issued by it (IAS No. 30, IAS No. 32. IAS No.38. IAS No. 39, IAS No. 40, IAS No. 41) the amount that can the assetexchanged with it, or settling the liability between knowledgeable and willing parties to work on a commercial basis. (Tariq, 2010).
The assets are divided according to the accounting standards to the following:

<u>Current Assets</u> (Hmeedat, 2013):
Standard No. 1 requires classifying the asset is current when one of the following applies on it:
1- When the organization retains the asset for the purpose of collecting, selling it or using it during the regular operating cycle of the organization.
2- When the basic purpose of the organization is to retain the asset for the purposes of trading during a short period or during the period of 12 months from the balance sheet date.
3- In the event that the asset is cash or cash equivalent and there are no restrictions for using it.
The inventory and tradereceivables are considered within current assets, even if they are not expected to be realized or converted to cash within 12 months of the balance sheet date

Examples of current assets:
(Abu Nassar, 2014)
- **Cash and cash equivalents:** This item includes cash in local and foreign currencies, checks on hand, cash withdrawals and deposits at banks that can be withdrawn on demand.

According to IAS 7 "Cash Flows Statement" The short-term investments are considered within the cash equivalent if they are readily convertible to cash and withspecific value and that, no risks are in the process of changing its in value, and that maturity date is three months or less from the date of its acquisition.
- **Financial investments held for trading:** They are the financial assets that are acquired in order to make profits from short-term fluctuations in their prices or margins oftheir trading fluctuation. These assets include equity investments such as stocks and investments in debt instruments such as bonds, loans and receivables held for trading as well as trading of financial investments in derivatives for the purposes of trading purposes unless they are not intended for hedging.
- **Inventory:**They are the goods retained for the purposes of resale in commercial organizations, where in industrial organizational the inventory must be detailed to raw materials, production under operating and finished goods.
- **Receivables:**They include accounts receivable, notes receivable andreceivables from affiliates, receivables and advances to employees.

Accounts receivables are the amounts due to clients resulting from the operations that occur within normal course of the organization.

Non-current assets
Hamidat(2013)they are assets that are not considered as current assets. They are not intended for full consumption or use during the regular cycle of the organization. They areacquired to run the organization's business and to exploit from its production capacity and non-current assets include:
- **Properties, plants and equipment:** They are tangible assets that the organization holdsto use them inproduction operations, supplying goods and services,for renting them to others or to be used for administrative purposes, which are expected to be used for more than one fiscal period.
- **Intangible assets:**They arenon-current assets, which have no physical existence, and they are expected to give future benefits and theseassets include, for example, fame, trademarks, patents and intellectual property rights.

International Accounting Standard No. 38 requires that when recognizing of amortization intangible assets theirvalue must be shown and the amortization expense to be subtracted from them.

- **Long-term financial investments:** such as financial investments held to due and that mature after more than 12 months from the balance sheet date. IAS No 39 requires measuring them.

Investment properties: they are the properties that are acquired for the purposes of renting them and taking advantage of their high price in the future and using them in normal production or in running their works. In addition, they are not intended for sale in the normal context of the organization. Investment Properties are registered whenacquired at the date of cost and subsequent measurement of them is done when preparing financial statements by choosing between cost model or fair value model according to the requirements of International Accounting Standard No. 40.

The Concept of Assets in accordance with Islamic Thought

Assets in Islamic Thought are called (money) and money in language is what self tends to and fond of.
Furthermore, money in Islamic jurisprudence has two definitions (Buhaisi, 2012)
Imam Abu Hanifa's Definition: Money is all what you possess and utilize it.•
Imam Shafii's Definition: Money is all that you can make use of it and it won't become • moneyuntil all the people leave it, and if some people leave it and others use benefited from it, thus it is still money.

Therefore,intangible assets, likeshop goodwill or name, patents and others are considered money in the opinion of Imam Shafi'I at the same time they are not considered money in the opinion of Imam Abu Hanifa because of the lack of possibility of acquiring them.

Money is divided in Islamic jurisprudence according to the purpose of the division to the following:

•In terms of evaluation, money is divided to:

1- **Evaluated money:** thatis from lawful source (halal).
2- **Non-evaluated money:**that is from unlawful source (haram).

•In terms of transaction and utilization (accounting) money is divided to:

1- **Offers acquired for use:**They are offers acquired for use in the production operation, corresponds in meaning (fixed assets) according to international accounting standards
2- **Trade Offers**: They are offers intended for sale and making profits, corresponds in meaning (current assets) according to international accounting standards.
3- **Money**: It is a measure of the value used to handle and exchange goods and services.

The researcher reached of the previous discussion that the concepts of assets in Islamic thought and international accounting standards similar , but the essential point, which is the source of assets, whether it is unlawful (haram): (illegal from the point of view of Islamic Sharia) or lawful(halal) also of the same viewpoint. We find that the concept from the viewpoint of international standards does not differentiate between haram and halal (lawful, unlawful from Islamic point of view) in other words, an organization may acquire an asset by fraud, fraudulent, even theft or replacing a depreciation asset to offer it as effective one and this happens under the willingness of the organization's management, arguing that this action is for the interest of the organization as well as that the ends justify the means, this is for the non-current assets.

On one hand, current assets, likesecurities and commercial papersare recognized as well according to international standards, regardless of investment source (halal or haram), such as liquor companies, and banks that deal with Riba (interest) and so on for other not permitted investments.

On the other hand, we find that the concept of assets (money) in Islamic thought, is not a recognized asset unless its source and investment is halal, in other words, Islamic thought does not recognize anasset if it was stolen, it is possessed by fraud, deceit and cheating, the source of asset is from impermissible business, improper business that scratch the modesty of society, such as investing in Riba-based organizations ororganizations that depend on spreading moral and social corruption, such as alcohol, gambling, prostitution etc. In addition, Islamic thought does not recognize of securities andcommercial papersdiscount, in order to realize and turn them into cash, because this is considered Riba. Furthermore, Islamic thought does not recognize financial assets resulting from future speculation in stocks and bonds, as this has ambiguity and lack of clarityand Islam does not recognize anything that is not clear and not real.

As a result, the researcher believes that the concept of asset in Islamic thought is based on the moral and social concept, which gives high reliability in organizations that practice this concept and thus continuity,honor competition and stability of organization and society.

Assessing some Types of Assets in Contemporary Accounting

Cash assessments(Mattar, 2007)Measurement problem or assessment are for this item is simple and not complicated as it is for the rest of other current assets and fixed assets, as measurement and assessment of this item is not subject to personal diligenceas in other items.

Assessing debtors (Reza, 2009)

- Receivables are assessedwith current values of the amounts that will be received and calculated using appropriate commercial interest rates, less uncollectible debts and collection costs, if necessary, but the discount process is not required for short-term receivables when the difference between its nominal value and itsdeducted amount is immaterial.

Assessingnotes receivable and presenting them in the budget (Mattar, 2007)

Generally accepted accounting principles states that notes receivables, which are in the organization's portfolio that should be assessed at the end of the financial period accordingto present value of expected cash flows that is represented in the present value of thebill's asset; that is the nominal value. Additionally, the present value of itsinterests in case that there isa provision regarding this interest obviously and this is asa form of certain interest rate written in the paper itself.

Inventory Assessment: (Abu Nassar, 2014)

The nature of inventory varies depending on organization's nature, where the inventory incommercial organizations consists of three elements: raw materials, goods under operating and finished goods while the commercial entity the inventory consists only of one item that is ready goods, while in service organizations, such as banks, there is no item of current assets under the name of inventory.

Measuring Inventory is considered one of things thatare very important and accurate because inventory is included in calculating cost of sold goods and therefore it will affect the amount of net income.Moreover, the cost of inventory is considered a key component of assets value in the budget, which makes any error in determining the inventory value to be reflected on the financial position of organization.

In assessing closing inventory of the goods, the following things should be taken into consideration:

Actual verification of inventory elements•

• Using appropriate method to measure the inventory cost and consistency in using this method during the following accounting periods.

•Taking into account generally accepted accounting principles, including accounting standards and international reporting, in which international accounting standard IAS2 stipulates to assess the inventory based oncost rule or realizable net value, whichever is less NRV, and net realizable value means the market value minus all the expected expenses for marketing.

Assessing tangible assets (fixed) properties, organizations and equipment
(Hmidat.2013)

Accordance to the international standard AIS 16 this category includes assets that characterize by the following:

• They acquired for use and not for sale
• They are long-term in their nature and are subject to consumption
• They have tangible material existence

Proving the asset is done according tohistorical cost and the historical cost of the asset includes paid purchase price during the acquisition plus all direct expenses for acquiring it and making it valid for use.

In addition, among the costs of acquiringthe asset are all the capital expendituresthat are paid during the period of acquiring it.Generally, the asset is considered a capital expense as well as the tangible asset includes the following: any amount paid by the organization and will lead to improvingthe asset's productivity, prolong its productive life or make a significant reduction in its operating expenses.

In the case of purchasing a long-term asset by installments,the organization bears the interests,as a result the preferred opinion in modern accounting is not to capitalize these interests, but to treat them as afunding expense. However, it is something different in the case of that the organization creates or constructs the long- term asset by itself and then using it in production operations, therefore the organization bears the interest costs in financing the production asset and they are capitalized as part of the asset's cost as stated in the FASB 34 as well as in international accounting standards in AIS 16.

Assessing intangible assets by the amount ofspecified fair values (Barth & Landsman, 1995):

- By returning back to the active market;
- If there is not any activity, the intangible assets are assessed on a basisthat reflects the amount that the project was about to pay it for the asset in a pure commercial transaction among knowledgeable and willing parties based on the best available information.

Therefore, there has been a clear trend of the International Accounting Standards Board that even if there is no ability to determine the fair value of any items to be recognized by this value in financial statements or disclosing it in the attachednotes, so theusers of financial statements should be providedwith other information that may be useful in determining the fair value of the item under discussion or measurement

AssessingAssets in Islamic Thought

Offers acquired for use "fixed assets" (Buhaisi.2012):

Each project requires acquiring a group of assets to use them in the production operation such as land, buildings, machinery, furniture, cars ... etc. Contemporary accounting thought registers these assets byits historical cost, so that the project can at the end of the production life of the asset to provide alternative for it.Moreover, asit isstated that Islam divides money into cash and offers as well as it divides offers into offers acquired for use and trade. Offers are assessed based oncurrent value in the market rather than their historical cost, leading keeping capital safety. It should be noted here thatoffers acquired for use, in the opinion of Imam Shafi'i they include intangible assets such as goodwill.Depreciation premium in Islamic thoughtis calculated by t choosingconsumption method that fits the project, provided this method is not calculated based on the interest rate as this is forbidden in Islam.

Assessing Trade Offers (current assets)

In the contemporary accounting thought assessing current assets done based on cost bases or market, whichever is lower, according to the hedging and cautious policy, where realized gains, realized losses and expected are taken into account only, but in Islamic thought trade offers "current assets " are assessed according to the current value, taking into account the realized and expected profits, in addition to realized and expected losses.Islamic assessment method may considered more realistic than assessment method of contemporary thought because assessment at cost or market, whichever is lower enters into account each loss just to re-estimate the goods without sale and are doing allocations worth of these losses and this policy may be unwise if it is exaggerated because it leads to distressing money in a form of reserves, which disables money.In addition, one must distinguish between truth and policy aspresent price is the truth whilepolicy is something related to future and it varies according to conditions and objectives. Present prices is the truth and past prices do not exist today, whereasfuture prices are just predictions, so manipulation and error in accounting assessmentmay be possible and great when depending on past prices once and on future prices inanother time.

Since value is a financial expression of the goods, services and benefits utilized in certain purposes and there is a close correlation between the value and time, where value for the same thing is different in the past than in the present than in the future, making it necessary to track its impact with activity cycle and capital as well as what have worsenedthis problem is the constant change in money value and its purchasing power.

Assets assessment controls in Islamic thought:

- Assets assessment in accounting in Islamic thought is controlled by the following:

1- **Economic activity must be legitimate:**

This means that the project asset mustn't bebased on haram (lawful) or dealing in haram (lawful) transactions, including:

A- Riba (Usury):

Riba is forbidden in Islam to the verse: Those who swallow usury will not rise,except as someone driven mad bySatan's touch.That is because they say, "Commerce is likeRiba."But Allah has permitted commerce and forbidden Riba [Al-Baqarah: 275] to the other texts of the Quran,Sunnah and the consensus of Muslim scientists. In addition, Riba is forbidden in all heavenly laws(this is because it has economic and social damage. This is clear from its effects like (unemployment, laziness, greed of the rich, inflation, lack of production, psychological and social damage, hates ... etc.).Examples of Riba, all transactions that deal with interest, such as long and short-term loans with interest rate, bonds, discount bills.

2- Lack of Knowledge:

This means lack of knowledge of commodity, such as: selling fruit before it matures, and selling fish in water and birds in air and futures.

3- Gambling, alcohol, drugs and others as they have social and economic damages

Islamic Sharia has forbidden these as shown in the verse O you who believe! Intoxicants,gambling, idolatry, and divination are abominations of Satan'sdoing.Avoidthem, so that you may prosper [The Table: 90] and some examples of these are:

• Lottery tickets that are purchased with specific amounts of money to anticipate luck to win prizes and buying unreal goods.

Assessing some assets' elements in Islamic thought:

Merchandise inventory:

The majority of scholars assure that merchandise inventory must be assessed based on continuing budget (ordinary budget) based on current value and not based on cost or market, whichever is lower, as is the case in the contemporary accounting thought.

Debtors:

Debt is divided into two types, one is from money debt and this is shownunder the money chapter and debt resulting from selling goods and it shown under the chapter trade offers. Debtis divided intothree sections: good debt, doubtful debt and desperate debt. Good debt has no problems,whiledoubtful debt is the one that hisowner does not know he will get it or not, therefore it affects onthe security of the financial position, so asIslamic thought is keen on capital safety, it does not mind makingspecialized work for this debt, which is known in contemporary thought as the provision for doubtful debts as well as the desperate debt shall be treated as the treatment of the loss.

Commercial notes receivable:

In contemporary thought there are many uses for notes receivable, such as deducting them in the bank and getting their value immediately, givingthem to the bank to collect them inmaturity date, keepingthem until the maturity date collect them orendorsing them to one of the creditors. Islamic thought is not in consistent with the deduction in the bank because it is based on Ribarate, which is forbidden. However, there is another way in which the current value of the notes receivable can be assessedby attaching notes receivable with a particular commodity,knowing the amount of units of the commodity that the notes receivable equal on the maturity date, determiningits value, determining the current units that notes receivable equal and determiningits current value.The dedicated value of the notes receivable is the difference between the current value of the commodity units and their future value. Ifthe value of nominal notes receivable is 100 dinars and this can buy 10 dresses on the maturity date, that is the maturity price is 10 dinars and the current price for the same dress is 8 dinars, the current value of the notes receivable equals (100 × 8 dinars) / 10, while other aspects of using a bill is permitted in Islam.

The researcher concludes from the abovementioned that assessmentin Islamic accounting thought based on the following supports:

1-It is based on the present looking ahead to the future in an extent of objectivity without exaggeration or stinginess, citing the words of Allah in the Koran (Woe to those who give less (thandue) , Who, when they take a measurefrom people,take in full But if they give by measure or by weight to them, they cause loss) Al-Mutaffifin (1-3).Nevertheless, the whole objectivity is difficult to achieve, it was necessary to go back to assessment based onexperience and skill, and other methods and thismatter the Prophet and his companions worked on it a lot in many issues. Additionally, this is evident in jurisprudence ofZakah and in jurisprudence of continuing speculation as in Islamic banks.

2- It is based on the monetary measurement unit, which is based on gold and silver rule, not paper money as it is the case and these units in the early stage of Islamic state have an equivalent weigh of gold and silver and the Koran pointed out that in many places, Allah Almighty says, "and those who hoard gold and silver and spend it not in the way of Allah- give them tidings of a painful punishment "(At-Tawbah: 34), and there is no dispute among scholars on usinggold and silver as a price for things and a standard for assessment, and there is nothing wrong to use any currency provided that its reference to gold and silver, and in this regard IbnAbdeen said: "I saw that dirhams and dinars are prices for things and things are not a price for them, so money is not intended itself but a means to the intended", and this is applied in jurisprudence of Zakah, jurisprudence of speculation, companies, jurisprudence of retribution and blood money. This base exists in ordinance accounting thought, but based on imposition of stability of money unit, whereas Islamic thought linksmoney value with gold and silver and does not suppose the stability of money unit as it will be explained later. Islamic banks apply the base of monetary measurement through assessment on the basis of current value, until financial statements are done at present in the present, and this is basically applied as well as in traditional banks but assuming stability of the monetary unit.

3- Assessment based on current value: for more than fourteen centuriesIslamicaccounting thought leaders adopted usingthe rule of assessment basedon the current value for the purpose of the statement of business results and financial position for an ongoing project with the aim of maintaining the real capital and economic unity in terms of the power of offers replaced withit and its ability to make profit and thrive, thus this rule depends mainly on the evidence of Sunna and jurist sayings. It is narrated that the Prophet (PBUH): "He assessed error blood moneyfor the people of the villages of four hundred dinars or what equals in silver and evaluates it with the most precious camels and if its prices raise he increases its value as well as if it is cheap he decreases from its value ".Moreover,Abu Obeid bin Sallamreported thatKatherbin Hisham told us thatJaafar bin Burkan was told byMaimon bin Mahran said:" If Zakat to be paid, you see what you have of money or offer for sale, and assess it with cash value and count the debt, then pay Zakah on the rest of the amount. ", He also said about the price to be assessed with it" assess it as itsprice at the date you should pay Zakah and then pay Zakah.

4. Realism in precaution for the future: Expenses and revenues are measured in Islamic accounting thought based on one measure, it is is the current value and the assets based on the current value, so this represents a precise precaution of what could happen in the future of shortfall in revenues, increase in expenses or change in the value of assets and is one standard one for each of the expenses and revenues. This basis is quite different from the principle of precaution and carefulness applied in traditional accounting thought that says every expected loss shall be taken into consideration and neglecting all expected profit when determining the business results and financial position, therefore this leads to estimating the profits less than they are and carrying them over to the next years, and thus calculated profit does not reflect in this way the real profit for distribution.

5. Comparing when measuring business results: Islamic accounting thought takes the principle of comparing

between expenses and revenues when measuring business results, but legitimate revenues in exchange for legitimate expenses.

Conclusions

• Through extrapolation of history and reality to assess the assets in accounting in old and modern organizations based on studies and researches of old and modern literature, and away from the talking in a religious way and about our duty as researchers of the facts we find that the teachings and ideas of tolerant Islam has handled all the contemporary problems of life either directly orindirectly, including accounting.

•The accounting method that handled assessment of assets according toIslamic concept is more modern and appropriate for reality than method of modern accounting. The evidence of this is the orientation of modern accounting standards towards usingthe fair value, definition active market and its alternatives and orientation towards the assessment based on the current value in the International Financial Reporting Standards (IFRS) which have beenimplemented since agesby Islamic jurisprudence jurists who have been interested in the subject of accounting.

• Using interest system (Riba is unlawful by Sharia) this is because of staying away from the teachings of Islam as well as otherSharias,this has led to the emergence of a new problem,which social systems, including accounting tried to manipulate that isimbalance of money value of which is not a commodity already, but it is a measure of the value,, so interests interfere in Trade and using money as a commodity led to the loss of money of its basic functions as a measure of value and store forit.

This led to the emergence ofcurrent value mazesof the money that led to imbalance on the contrary, accounting in accordance with Islamic concepts has focused on treating this subject and took into account the technological developments and changes in the balance of supply and demand, which leads tovalue loss, but not handling it through inflation accounting and time value of money, but by taking positive cash measurement through using gold and silver to the report the value.

• Accounting based on Islamic thought worked onassessing bymarket current value and ithas been adopted and applied in light of the Islamic state because in that era,because Islamic sharia was applied as a whole and thus created a high degree of credibility and reliability as they were at the heart of Islamic Sharia (faithfulness and honesty) but after absence of such reliability and concepts this led to new life requirements and this was one justification for the appearance of the historical cost principle in this contemporary image that is considered one of the most objective principles in the assessment as it is based on the documents and actual amounts.

• This does not mean that the historical cost principle did not exist in Islamic accounting;however itwas present but was used in the specific things which jurists name it as the first price.

Results

1. There is no difference in the concept of assessment of Assets between accounting based on Islamic thought and accounting based on international accounting standards, but in one basic point, which is the legitimacy of the source of asset, meaning is the source of asset halal or haram(lawful or unlawful), if it is lawful, it recognizesthe asset or to be ignored and not recognized, and this is from the perspective of Islamic thought, while traditional accounting thought does not pay attention to halal or haram.

2- Islamic accounting assesses current assets and noncurrent assets realistically and objectively based on the current value of these assets since its inception, not based on the historical value as it is in traditional accounting thought, but what is permitted by the international accounting standards of disclosure for fair value in their appendixes.

3-Islamic accounting thought does not recognize unreal assets that can not be realized in the future as opposed to traditional accounting thought as in speculations and futures and that leads todeceits and irrationality.

4-Islamic accounting thought does not recognize what so-called interest (Riba), whether credit or debt, because of its economic effects, which produces inflation and affect assetsvalue, as opposed to traditional accounting thought which recognizesit despite its conviction of the damage resulting from it.

5-Islamic accounting thought does not recognize projects'assets that aredestructive for community like, trading in drugs, alcohol, gambling, prostitution, etc., as opposed to traditional accounting thought.

Recommendations

1-Inviting organizations, associations and international accounting boards to learn about Islamic accounting thought and benefit from it in solving many contemporary accounting problems, which are reflected on the global economy.

2-Inviting accounting standards and financial reporting council to adopt Islamic accounting standards, or at least take advantage of them far from religious intolerance or political orientation.

List of references

1. Abu Nassar, Mohammad, Hmidat, Jum'a, (2014) "," International accounting standards and financial reporting. Dar Wael, Jordan.
2. Albuhaisi, Issam, (2012), Accounting in Islam, site.iugaza.edu.ps/mfaloge/files/2012
3 - Dahmash, Naim, (2013), "Accounting principles of assets scientific and practical," Dar Wael, Jordan.
4 - Hanan, RadwanHelweh, (2013) "Introduction of accounting theory" Dar Wael, Jordan.
5 - Altheebh, ZiadAbdulHalim, Samhan Hussein, (2011), "Islamic Accounting Studies" Dar Almaseera, Jordan, ed. 1.
6 - Reda, Ibrahim Saleh, (2009) "The Impact of the orientation of accounting standards towards fair value on the qualitative characteristics of accounting information in the light of the global financial crisis," Journal of "Faculty of Commerce for Scientific Research", Alexandria University, No. 02, vol. 46, 2009, pp. 24-31 quote.
7 - AlRamahi, Nedal and others (2010), "Financial accounting principles, Dar Almaseera Jordan.
8 –Atiya,AbdulRahmanZeidan, (2014), Islamist accounting (theoretical-practical) Dar Wael, Jordan.
9. TarekAbdulAlHammad, (2010), "Modern Introduction in Accounting" Fair value accounting ", AldarAljameiya, Alexandria, p.11.
10. Matar, Mohammad (2007), "Financial Accounting Principles" Dar Wael, Jordan.
11 - Barth, Marry E. and Landsman, Wayne R (1995).
To Using Fair Value Accounting For Financial Reporting, Accounting Horizons, vol. 9 (4), Dec. P