ISLAMIC UNIVERSITY JOURNAL OF SOCIAL SCIENCES VOL 4, NO 5, JULY 2025 ISSN: 2709-2429(Print), 2709-2437(Online)-Published 20th August 2025

ACCOUNTING THEORIES AND THEIR INFLUENCE ON THE EVOLUTION OF ACCOUNTING RESEARCH

Kawooya Muhammad PhD Candidate

Lecturer at Islamic University In Uganda,

Department of Business studies

Email: makondere97@gmail.com;

Professor Rafiu Oyesola Salawu Ph.D., FCA, FCIT,

Professor of Accounting and Finance

Department of Management and Accounting,

Faculty of Administration, Obafemi Awolowo University, Ile-Ife, Nigeria.

Email: osalawu02@yahoo.co.uk;

ABSTRACT

This research purpose is to examine how accounting theories specifically, normative and positive theories have shaped and evolved accounting research over time. Specifically in the areas of financial reporting, standard-setting, sustainability, and digital innovation, due to the increasing needs of users for accountability, dependability, and relevance that have challenged the theoretical foundations of accounting. The existing accounting literature documents that the basis for ethical reporting guidelines and standard-setting, especially with regards to what information needs to be disclosed in the public interest, was laid down by normative accounting theory. Alternatively, positive accounting theory has provided another insight where management routines, routinized accounting procedures, and regulatory responses to financial and institutional restrictions.

Apart from influencing the historic development of accounting research, this study critically reviews how these two prevailing theories have evolved to confront emerging innovations such as blockchain-led assurance systems, algorithmic disclosure, and combined sustainability reporting. The study

highlights the Normative and Positive theories' continued relevance and persistence as pillars for knowledge of and theory building in accounting scholarship in the face of technology disruption and altering stakeholder needs by blending theory innovation with concerns of today.

Keywords: Normative and Positive Accounting Theories, Sustainability Reporting, Digital Disruption in Accounting

INTRODUCTION

The creation of rail lines and approval of the first Companies Act in England in the early 19th century gave birth to recent states for the advancement of accounting professions and institutions in England and the United State of America (Adebayo, Adeyemi & Ibrahim, 2022). Since the goal of accounting is to report or communicate to different users of accounting information the outcomes of business operations and their various facets, accounting is frequently referred to as the language of business. Due to the influence of numerous theoretical frameworks that give financial performances structure and validation, accounting research has advanced dramatically over time (Lee, 2020). It should be that financial reporting standards, corporate governance practices, and regulatory frameworks from different jurisdiction have all been significantly shaped the application of accounting theories (Olawale & Obinna, 2023). The majority of early accounting research was normative, concentrating on providing justification or logic for an accounting treatment that aligns with the stated goal or recommending best practices based on theoretical principles. But with the emergence of empirical research methodologies, accounting theories have been used to explain and predict actual accounting practices (Al-Adeem, 2021).

In today's dynamic business environment, where financial interests often intersect with professional responsibilities, navigating the terrain of ethical decision-making becomes increasingly complex as Akpan, Oluwagbade & Adewara (2023) narrates, the development of accounting theories has been driven by the need to address critical issues among user of accounting information such as information asymmetry, agency conflicts, stakeholder interests, and institutional pressures. In addition, the Positive Accounting Theory, Agency Theory, Stakeholder Theory, and Legitimacy Theory have also significantly influenced the way researchers analyze financial decisions, organizational behavior, and compliance with regulatory requirements (Utari, Manalu, Lubis, & Muda (2023). More recently, theories like Institutional Theory and the Theory of Planned Behavior (TPB) have contributed to understanding the role of social, psychological, and regulatory factors in shaping accounting practices.

Furthermore, advancements in technology and globalization have introduced new challenges and opportunities in accounting research. The rise of big data analytics, artificial intelligence, and blockchain technology necessitates the adaptation of traditional accounting theories to address contemporary issues such as digital financial reporting and cybersecurity risks as highlighted by Hossain, Johora, Raja & Hasan (2024). As the accounting profession continues to evolve, the interplay between accounting theories and research methodologies remains vital in ensuring the relevance and reliability of financial information.

This study seeks to explore the key accounting theories that have influenced accounting research, analyze their impact on regulatory developments, and identify emerging trends in the field. By examining these theories, this paper provides insights into how accounting frameworks continue to shape the evolution of financial reporting and governance practices.

Research Objectives

1. To analyze key accounting theories and their contributions to accounting research.
2. To examine how accounting theories have influenced the evolution of accounting standards and regulations.
3. To identify emerging research trends driven by theoretical developments in accounting.

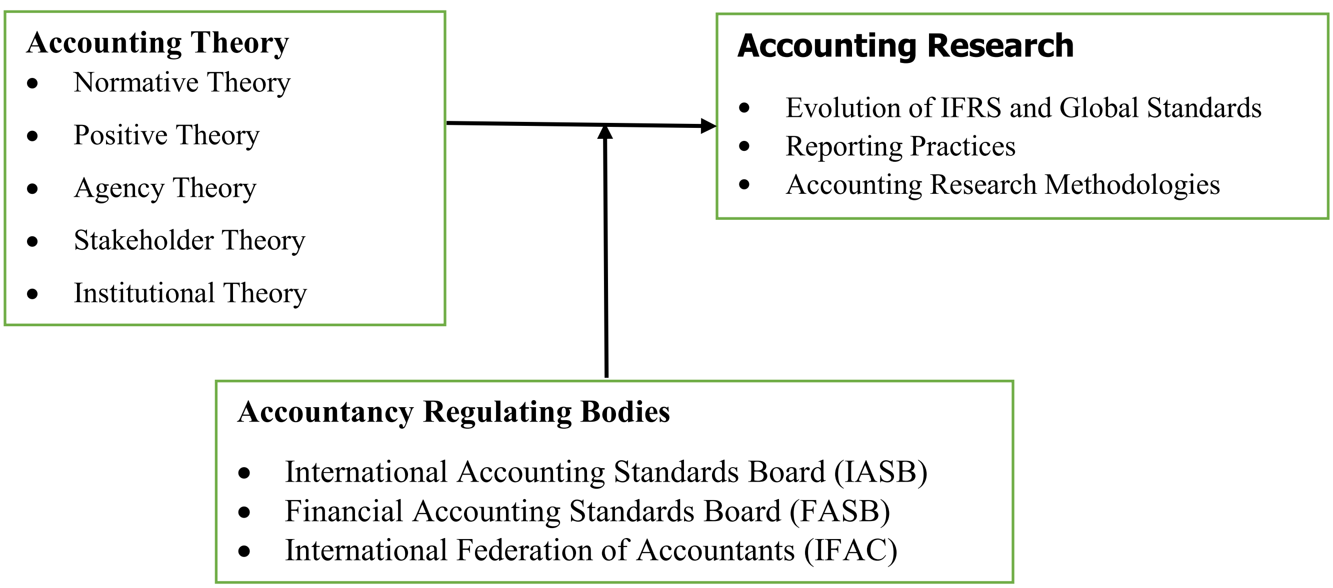
Theoretical foundations of accounting research

Accounting research is built on a strong foundation of theoretical frameworks that provide a consistent understanding of accounting practice and its implications (M. Smith, 2022). Theories in accounting describe, foresee, and recommend financial activities in organizations, regulatory bodies, and markets (Schroeder et al., 2022). Researchers have, over the years, developed and promoted various theories to capture the evolving nature of accounting principles and financial reporting needs. The accounting research theoretical foundations are broadly categorized into two general approaches that is, the normative theories as well as positive theories. Dennis, (2019), asserts that normative theories are prescriptive in nature and seek to derive the best possible accounting techniques based on conceptual frameworks and deductive logic.

According to Hamed, Hamed, Hassan, Mohammed & Hatem (2024), the theories provide the fundamental notions that inform the formulation of best practices, regulatory policy, and accounting standards. Positive theories, on the other hand, emphasize descriptive analysis and consider real-world data with a view to recognizing trends in financial decision-making to describe and comprehend real-world accounting practices (such as measurement, disclosure, presentation, or reporting). The foundation of accounting is a rigorous exploration of the contemporary social, political, and economic setting. As the financial markets continue to be sophisticated, accounting theories have been developing to address issues like corporate governance, earnings management, and accounting fraud (Rezaee & Safarzadeh, 2023). The evolution of these theories has not only increased the transparency and credibility of financial reporting but also affected the decisions of investors, auditors, and policymakers (Darmawan, 2023).

It is crucial to know the theoretical foundations of accounting research in order to shape accounting knowledge, inform regulatory compliance, and support the general integrity of financial systems.

THEORETICAL FRAMEWORK



Source: Adopted from literature review

Accounting theory serves as the intellectual foundation upon which the discipline of accounting is built. Normative theories, such as those advocating what accounting should be, alongside positive theories that describe and predict accounting behavior, offer critical insights into the nature and purpose of financial reporting (Stefan-Duicu & Sudacevschi, 2024). Complementary frameworks such as Agency Theory, Stakeholder Theory, and Institutional Theory further enhance our understanding by emphasizing the relationships between preparers and users of financial information, the broader social responsibilities of firms, and the influence of institutional environments on accounting practices.

These theoretical inputs inform the concepts or convention or principles, assumptions, and objectives that underpin accounting standards. However, the translation of theory into practice is rarely direct or automatic. It is mediated by accountancy regulating bodies including the International Accounting Standards Board (IASB), the Financial Accounting Standards Board (FASB), and professional organizations like the International Federation of Accountants (IFAC) and Institute of certified public accountant of Uganda (ICPAU) (Aderibigbe et al., n.d.). These institutions play a central role in interpreting, refining, and institutionalizing theoretical concepts into concrete frameworks, standards, and guidelines. For instance, debates between normative and positive theorists' methods widely used in accounting to value assets and liabilities that is the fair value (IFRS13) and historical cost accounting have significantly shaped the IASB's approach to measurement in the revised Conceptual Framework. In the same spirit, stakeholder and institutional theories have pushed standard-setters to integrate environmental, social, and governance factors, thereby contributing to the emergence of sustainability reporting frameworks, including the International Sustainability Standards Board (ISSB).

Through consultative processes, research commissions, exposure drafts, and stakeholder feedback, these bodies act as mediators filtering, modifying, and translating theoretical insights into actionable standards. They also ensure that these standards remain relevant and adaptable to the dynamic needs of global markets.

As a result, we observe the evolution of accounting through several key outputs:

- The ongoing development of IFRS and harmonization of global accounting standards;
- Shifting reporting practices, including increased transparency and disclosure requirements;
- The diversification of accounting research methodologies, influenced by both theoretical debates and regulatory expectations;
- The formal integration of Corporate Social Responsibility (CSR) accounting and sustainability disclosures into mainstream reporting systems.

Thus, the evolution of accounting is not simply a product of theoretical thought or institutional regulation in isolation, but rather the outcome of their dynamic interaction where accounting theories provide the foundation, regulating bodies mediate the application, and accounting practices evolve as a reflection of both.

LITERATURE REVIEW

Normative Accounting Theory

Normative Accounting Theory is primarily concerned with prescribing the ideal practices for accounting, rather than describing the behaviors or practices observed in the real world. In the development of foundational accounting principles and standards Gatla, (2023) highlights that this theory aims at establishing frameworks that promote consistency, transparency, and fairness in financial reporting. Normative theories have been instrumental as emphasised by Agana, Zamore, & Domeher (2023) in shaping regulatory structures such as Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), both of which provide guidelines for standardizing financial disclosures and ensuring comparability across entities.

Furthermore, Claessen, (2023) emphases that a core tenet of normative theory is its focus on decision usefulness, which posits that accounting information should be designed to aid investors, creditors, and other stakeholders in making informed economic decisions. Researchers adhering to this approach emphasize that financial reports should offer relevant, reliable, and comprehensible information that supports the decision-making processes of external users as indicated by Mesioye & Bakare, (2024). The primary areas of normative accounting research typically include the development of conceptual frameworks that delineate standardized accounting principles, fair value accounting that advocates for the adoption of valuation methods reflecting current market conditions rather than historical costs, and the incorporation of ethical considerations that address issues such as corporate social responsibility and the role of accounting in fostering sustainable business practices.

Normative Accounting Theory and Standard-Setting

Normative accounting theory has long served as the intellectual foundation for the development of accounting standards. It provides a framework for evaluating how accounting should be practiced, grounded in principles of transparency, fairness, comparability, and relevance. Baker, (2017) argue that this theoretical perspective has influenced the evolution of financial reporting standards, particularly in guiding the decisions of standard-setting bodies such as the International Accounting Standards Board (IASB) and national regulators.

Pinnuck & Stevenson, (2021) offer a timely contribution to this discourse by emphasizing the need for a more effective interface between academic research and accounting standard-setters. They argue that normative theories, when integrated with rigorous academic evidence, can significantly enhance the relevance and legitimacy of standard-setting processes. Their study underscores a critical gap in current practice: although normative objectives such as decision-usefulness and faithful representation underpin many accounting standards, the empirical research that could support or critique these objectives often remains disconnected from the standard-setting dialogue.

Central to normative accounting theory is the belief that accounting information should serve the public interest by improving decision-making for investors and stakeholders (Mohammed, 2024). Standard-setting, under this paradigm, is seen not merely as a technical exercise but as a value-laden process with significant economic and social consequences. Pinnuck & Stevenson, (2021) stress that academic research must contribute to this value-driven process by providing normative insights grounded in theoretical and practical considerations. They advocate for a more structured relationship between academia and standard-setters, one that goes beyond the traditional feedback mechanisms and includes proactive collaboration in agenda setting, issue framing, and impact evaluation.

Moreover, the authors highlight several institutional and epistemological barriers that have historically limited the influence of normative academic research on standard-setting. Bezuidenhout, (2025) affirmed by mentioning barrier to include differences in language, priorities, and methodologies between researchers and practitioners. Normative research often takes a broader, long-term view of accounting's role in society, while standard-setters may focus on shorter-term technical concerns or political feasibility. Bridging this divide requires deliberate efforts to align academic inquiry with the normative goals of financial reporting, including investor protection, economic efficiency, and accountability.

In the context of your broader research on the role of accounting theory in shaping taxpayer behavior and regulatory compliance, the insights from Pinnuck & Stevenson, (2021) provide a valuable foundation. They highlight the normative underpinnings of regulatory frameworks and point to the importance of theory-informed standard-setting in achieving compliance objectives. When accounting standards are developed through normative reasoning supported by robust research and stakeholder input, they are more likely to gain legitimacy, reduce ambiguity, and foster cooperative compliance among users, including businesses and tax authorities.

The work of Pinnuck & Stevenson, (2021) reinforces the centrality of normative theory in the accounting standard-setting process. It calls for a closer alignment between academic scholarship and practical regulation, suggesting that such integration can enhance the credibility, relevance, and effectiveness of accounting standards. For researchers engaged in the study of compliance, behavioral accounting, and policy impact, this intersection between normative theory and standard-setting provides a fertile ground for future investigation.

Criticisms of Normative Accounting Theory

Whereas its underlying contribution to the development of accounting standards and regulation, Patty & Lamawitak, (2021) noted that normative Accounting Theory has been exposed to numerous such distinguished criticisms questioning its utility and applicability in accounting research and practice. Such criticism is primarily centered on subjectivity issues, power of prediction, domain, and simplicity of implementation.

Subjectivity in Accounting for "Good" Accounting Practice. The subjectivity was cited by Wiratama & Asri, (2020) as one of the most potent criticisms leveled against Normative Accounting Theory. The theory establishes norms and rules of ideal accounting practice grounded in idealized notions of good or proper accounting, but which could vary with the stakes and priorities subscribed to by different constituents. For example, investors would perhaps value transparency and forward-looking information, while regulators might target comparability and consistency. Therefore, the expression "normative" accounting practices is open to interpretation and debate. This lack of closure for interpretation can lead to disagreements on the definition of the most suitable accounting method, with further issues in standard-setting. In addition, the dynamic nature of stakeholder interests shaped by market conditions, cultural values, and political pressures further erodes the universality of prescriptive norms.

Further, Otley & Berry, (2019) states that another main criticism of Normative Accounting Theory is that it cannot make precise predictions in a manner of what happens in real accounting behavior.

Contrary to Positive Accounting Theory, which relies on empirical research and strives to explain and forecast observed accounting practice through analysis of real data, Normative Accounting Theory instead dictates how accounting would be carried out in a world without errors. This prescriptive quality renders it challenging to predict how firms will really act in different situations. For example, although normative theories can be supportive of openness and uniformity, Positive Accounting Theory sheds light on the manner in which firm managers may play around accounting numbers based on incentives like personal payment or debt agreements. Therefore, normative theories are bound to fall short in providing predictive explanations of the real-world complexity and contradictions of accounting practices.

In addition, Zyznarska-Dworczak, (2020) observed that Normative Accounting Theory is too technical in its emphasis on the presentation of financial reports (Limited Scope), i.e., the structure and form of financial statements. While the theory gives good guidance on the structure and form of accounting disclosure, it has a tendency to overlook the broader social, political, and economic contexts in which the practice of accounting evolves. For instance, normative theories may not grasp the degree to which power dynamics, firm culture, or government controls influence accounting decisions. Also, the higher recognition of social accounting and CSR initiatives has pointed to the realization of how norms and values from society are imbued in accounting practices, arenas where normative theories have mostly been criticized as being inadequate. Hence, such theories may fall short in describing the broader societal role that accounting plays in resolving problems like sustainability, environmental destruction, and corporate governance.

Finally, Utari, Manalu, Lubis, & Muda (2023) noted that normative theories are beset with the challenge of transferring their idealized principles into operating, useful accounting standards. Even if Normative Accounting Theory is capable of providing conceptual blueprints for accounting practice, the complexity of actual business operations has a tendency to cloud the implementation of these ideals. New accounting methods, while theoretically sound, may face gigantic obstacles in the forms of implementation costs, training, and organizational resistance. Moreover, the velocity of change in business settings catalyzed by technological advancements, globalization, and evolving regulatory requirements may complicate the standard-setting process. In some cases, normative theories may fail to account for the operating constraints organizations face while adopting new accounting processes, for instance, the adoption of fair value accounting or the application of sustainability reporting guidelines. This gap between theory and practice illustrates the difficulty of converting normative ideals into standards that are enforceable and applicable to everyone.

Positive Accounting Theory (PAT)

PAT represents a significant shift in the development of accounting thought, departing from normative, prescriptive approaches and instead focusing on explaining and predicting actual accounting practices as stated by Watts & Zimmerman, (1986). Originating in the late 1970s, Lev & Ohlson, (1982) narrated that PAT sought to make accounting research more empirical, analytical, and aligned with developments in economics and finance. Brink & Steenkamp, (2023) emphases that this theory is rooted in the belief that accounting practices are not merely shaped by rules or ideals but are influenced by the self-interest, incentives, and contractual arrangements of various stakeholders within firms. Developed in the late 20th century, particularly through the pioneering work of Watts and Zimmerman, PAT is grounded in empirical research and seeks to understand the relationships between various economic factors and accounting choices made by firms as affirmed by Conteh & Kaira, (2024).

PAT Theoretical Underpinnings and Assumptions

At the heart of PAT Kejriwal, (2022) states the underpinning assumption of rational economic behavior. The theory posits that individual including corporate managers, shareholders, lenders, and regulators act in ways that maximize their utility, typically defined in terms of wealth. PAT assumes that firms do not select accounting methods arbitrarily but instead make strategic choices based on the incentives created by their contractual obligations and institutional environment.

PAT draws heavily from agency theory, which examines the principal-agent relationship, particularly between shareholders (principals) and managers (agents). Managers are seen as opportunistic actors who may choose accounting methods that best serve their personal interests, often in response to compensation structures, regulatory oversight, or political pressure.

Core Hypotheses of Positive Accounting Theory

Kurniawati & Mujiyati, (2022) narrates that Watts and Zimmerman articulated three central hypotheses under PAT, each aimed at explaining managerial behavior in selecting accounting policies:

1) Bonus Plan Hypothesis. Managers whose compensation is tied to reported accounting profits are more likely to choose accounting methods that increase short-term earnings. For instance, they may favor income-increasing accruals to maximize bonuses tied to profitability metrics.
2) Debt Covenant Hypothesis. Firms with substantial debt obligations and restrictive covenants are likely to adopt accounting methods that improve financial ratios or reduce reported liabilities. This is done to avoid violating loan agreements and to maintain access to credit.
3) Political Cost Hypothesis. Larger firms that attract more political attention may adopt income decreasing accounting methods to deflect scrutiny, reduce the likelihood of regulation, or avoid unfavorable public perception. This hypothesis highlights the role of external political and social pressures on accounting behavior.

Methodological Orientation

In one paragraph PAT is empirical and positivist in nature, Cahyono & Daniel, (2023) highlights that PAT employs quantitative methodologies such as econometric modeling, regression analysis, and large-sample archival studies to test hypotheses. Researchers collect financial data from company reports, market databases, and regulatory filings to analyze patterns in accounting choices (Beuselinck et al., 2023). The goal is to derive generalizable conclusions that can predict how managers behave under different incentive structures and institutional settings. The empirical nature of PAT aligns accounting research with the scientific method, emphasizing observation, hypothesis testing, and falsifiability. It marks a departure from the normative tradition that dominated early accounting literature, which lacked empirical validation.

Contributions to Accounting Research and Practice

According to Kejriwal, (2022) recounts that Positive Accounting Theory has had a profound influence on the evolution of accounting research and standard-setting. It introduced a more realistic view of the accounting function by recognizing that accounting is not neutral but is shaped by economic consequences and stakeholder interests.

In Research: Rajgopal, (2021) narrates that PAT laid the groundwork for a large body of empirical research in financial accounting, particularly in areas like earnings management, auditor-client relationships, tax avoidance, and corporate governance. It also encouraged interdisciplinary integration, especially with economics and finance.

In Practice: Bellucci et al., (2022) emphases that insights from PAT have influenced how regulators design accounting standards and how firms structure executive compensation. Awareness of managerial opportunism has led to increased scrutiny of earnings quality, the introduction of disclosure rules, and calls for better alignment between accounting outcomes and stakeholder interests.

Positive Accounting Theory and Regulatory Compliance

The key words in this article about Positive Accounting Theory seeks to explain and predict accounting practices based on the assumption that individuals act in their own self-interest within economic and regulatory environments. Unlike normative theories that prescribe what accounting practices should be, PAT focuses on what accounting practices are and why they are chosen. Central to PAT is the idea that managers make accounting choices that maximize their utility, often in response to contractual and regulatory constraints.

In the context of regulatory compliance, PAT provides a useful framework for understanding how and why firms may respond differently to accounting regulations. For instance, PAT posits that regulations can impose costs or benefits on firms, influencing managerial decisions about compliance. The Political Cost Hypothesis, one of PAT's key components, suggests that larger or more visible firms are more likely to comply with regulations or engage in earnings management to reduce political scrutiny. In this view, regulatory compliance is not simply a matter of following rules but is influenced by the firm's desire to avoid regulatory intervention or public backlash.

Additionally, Zimmerman, (2024) highlighted that PAT’s Bonus Plan Hypothesis and Debt Covenant Hypothesis offer insights into compliance behaviors. Under the Bonus Plan Hypothesis, managers may manipulate earnings to meet bonus thresholds, potentially leading to partial or superficial compliance with accounting regulations. Similarly, under the Debt Covenant Hypothesis, firms nearing violation of debt covenants may choose accounting methods that improve reported financial performance, again affecting their level of compliance with regulatory requirements

Regulatory changes often alter the incentives and constraints that shape accounting behavior. PAT has been used extensively to analyze firms' responses to new accounting standards or tax policies. For example, studies show that when regulations become more stringent, firms may adapt by altering accounting policies, restructuring operations, or even lobbying against the regulations (Oyinkansola & Omodero, 2023). This demonstrates that compliance is not merely technical adherence but a strategic response conditioned by economic consequences.

Critics argue that by framing regulatory compliance as a matter of self-interest and economic incentives, PAT overlooks the importance of legitimacy, accountability, and ethical responsibility in financial reporting. Nonetheless, PAT remains a dominant lens in empirical accounting research and provides a powerful explanation for the strategic behavior of firms in the face of regulation.

Criticisms and Limitations of Positive Accounting Theory

Despite its significant contributions to the understanding of accounting behavior, Positive Accounting Theory (PAT) has attracted several criticisms and limitations. Utari et al., (2023) highlight that one of the most common critiques is its descriptive rather than prescriptive nature. While PAT seeks to explain why managers make certain accounting choices, it does not offer guidance on how to create a harmonized accounting practice in the real world. This lack of normative direction has raised concerns among scholars who argue that, by merely describing opportunistic behavior, PAT may inadvertently legitimize it, portraying such actions as natural or inevitable in corporate settings.

Another notable limitation lies in PAT's overreliance on economic rationality. The theory is grounded in the assumption that individuals are rational, self-interested agents who respond predictably to incentives. However, this narrow lens tends to oversimplify complex human behavior by neglecting the influence of social norms, psychological factors, and ethical considerations. Real-world accounting choices are often shaped not only by contractual incentives but also by organizational culture, personal values, and stakeholder expectations.

Furthermore, PAT has been critiqued for operating within a static framework. It largely views accounting practices as outcomes of existing contractual and institutional arrangements, which limits its ability to account for innovation, evolution in regulatory environments, or cultural diversity across jurisdictions. In rapidly changing economic and institutional contexts, this static perspective may reduce the theory's relevance and explanatory power.

Lastly, scholars have raised concerns about PAT's ethical implications. By emphasizing managerial self-interest and incentive-driven behavior, PAT tends to overlook the ethical responsibilities of accountants and the broader public interest served by financial reporting. Critics argue that such a perspective can normalize earnings management and reduce accounting to a tool for maximizing private gain, thereby undermining trust, transparency, and accountability in financial disclosures.

In light of these criticisms, while PAT remains a foundational theory in accounting research, it is essential to complement its insights with alternative perspectives that incorporate ethical, cultural, and normative dimensions of accounting practice.

Evolving Relevance of Positive Accounting Theory

Stefan-Duicu & Sudacevschi, (2024) observes that in today's complex financial environment, PAT continues to offer valuable insights, especially in understanding how economic incentives influence financial reporting behavior. However, newer theoretical frameworks such as institutional theory, stakeholder theory, and behavioral accounting research have emerged to complement and, in some cases, challenge PAT's assumptions. These newer approaches incorporate social and ethical perspectives and are better suited to analyze phenomena such as sustainability reporting, integrated reporting, and corporate accountability in the digital age.

Other theories in accounting research include

Agency Theory as Sumaila, (2022) narrates that it explores the conflicts of interest between principals (owners/shareholders) and agents (managers/executives). This theory suggests that because managers do not always act in the best interest of shareholders, mechanisms such as financial reporting, incentives, and corporate governance structures are necessary to align their objectives. O'uiha & Lawai, (2022) highlights that accounting research has applied Agency Theory to issues like executive compensation, earnings management, and corporate fraud detection.

Another theory applied in accounting is the Stakeholder Theory, Freeman, (2023) narrated that this theory extends beyond shareholders to consider the interests of all stakeholders, including employees, customers, suppliers, regulators, and the broader community. This theory posits that organizations should create value for all stakeholders rather than just maximizing shareholder wealth (Jawahar & McLaughlin, 2018). In accounting research, this theory has been instrumental in areas like corporate social responsibility (CSR) reporting, sustainability accounting, and ethics in financial disclosures.

Finally Institutional Theory which according to Ebrahimi & Koh, (2021) examines how organizational practices, including accounting standards, evolve due to external pressures such as regulatory mandates, industry norms, and societal expectations. It explains why firms adopt similar accounting practices over time, emphasizing legitimacy and conformity rather than strict economic efficiency. Institutional Theory has been widely used to study financial reporting harmonization, IFRS adoption, and the impact of political and cultural factors on accounting practices.

Comparative Analysis of Normative and Positive Accounting Theories

Accounting theory is an important foundation for understanding, evaluation, and impact of financial reporting practice. Binda & Qadir, (2024) stated that among various schools of theory, normative and positive accounting theories are two diametrically opposite epistemological and methodological positions. Stefan-Duicu & Sudacevschi (2024) affirm that normative theories prescribe what accounting ought to be through value judgments, ethical values, and societal aspirations, while positive theories aim to explain and predict accounting behaviour as it is in real life, through empirical observation and economic rationality.

Normative theory of accounting is normative in nature, suggesting accounting procedures and principles that enhance transparency, comparability, and the public interest. It generally applies to reform and standard-setting initiatives (Marufu, 2022). A good example is the adoption of International Financial Reporting Standards (IFRS) in Nigeria, which was prompted by normative motivations such as deepening investor confidence, improving financial statement comparability, and conforming to best global practices (Onah & Edeh, 2024). The action was a reflection of a value-loaded desire to advance the accounting infrastructure and stimulate economic growth. But the transition also revealed gaps in enforcement and compliance, a divergence between actual practice and normative intent a gap to be explained by positive theory.

By contrast, Positive Accounting Theory takes managers to be rational maximizers of their own utility constrained by contractual and regulatory requirements. PAT emphasizes self-interest, agency costs, and incentive contracts affecting accounting choices (Fouad, 2024). An example of the use of blockchain-based assurance mechanisms is in Germany. While usage of blockchain would be normatively justifiable as enhancing transparency and audit integrity, positively, Han, (2022) finds that firms adopted such technologies primarily to circumvent information asymmetry, reduce audit costs, and strengthen internal control systems by virtue of performance-based contracts as well as regulation. Such behavior testifies to the explanatory potential of PAT to explain innovations in accounts as proactive measures against institutional incentives.

The field of Corporate Social Responsibility (CSR) accounting, particularly in the United Kingdom, provides a challenging environment under which both theoretical approaches are true simultaneously. Candio, (2024) attests those Normative theories support CSR disclosures based on ethical reasoning, with emphasis on accountability to multiple stakeholders and sustainable long-term duration. However, empirical studies Benjamin, Botes & Singh (2024) reveal that CSR disclosures are typically driven by strategic requirements such as creating corporate legitimacy, meeting regulators, or shaping stakeholder perceptions PAT's own principles. This dualism establishes that while CSR reporting is compliant with normative ideals, actual disclosure behavior is typically driven by self-interested motivations, as envisioned by positive theory.

The distinction between normative and positive accounting theories lies in purpose, underlying assumptions, and implications for practice. Normative theories are essential to guiding standard-setting, ethical discussion, and policy-making, particularly for developing economies undergoing accounting reforms. Positive theories are essential to explaining behavioral responses to regulation, contractual conditions, and institutional forces. A comprehensive understanding of accounting phenomena, in turn, calls for an integrative orientation recognizing the virtue of both theoretical paradigms. Normative theory offers the inspirational model whereas positive theory offers critical knowledge concerning the reality of accounting behavior within complex organizational and regulatory environments.

EVOLUTION OF ACCOUNTING RESEARCH THROUGH THEORETICAL LENSES

Theory of accounting practice was poorly described before the double-entry system was formalized in the 1400s as documented by Aerts, (2023). Practice took center stage while designing the double-entry system as noted by Iyenhen & Sabit, (2023). The earliest written description of the double-entry bookkeeping system that we employ today as told by Smith, (2022) was authored by Pacioli, a Franciscan monk, in 1494. The title of his book is Summa de Arithmetica Geometria Proportioni et Proportionalita, the Latin term for "A review of arithmetic, geometry, and proportions." Accounting innovations persisted for 300 years after Pacioli's 1,494 treatises. Angjaya, (2023) further proceeds to affirm that this period is also known as the 'pre-theory period'. No accounting theory has ever been developed since the early nineteenth century when Pacioli existed. Though not to the extent required to position accounting systematically, theoretical proposals were made from all directions. Specialist accounting theory did not begin until the 1930s. The reason why this development occurred is to safeguard certain behaviors. Patty et al., (2021) state that the changes during the 1800s caused practice formalization in textbooks and teaching methods. The demand for management and financial accounting information rose due to the fast development of technology and the widespread disconnection between ownership and control of the means of production. In the initial stage of accounting research, scholars were concerned with formulating ideal financial reporting standards. This is also referred to as the normative approach, which tried to prescribe accounting practice (Al-Adeem, 2021). Scholars formulated accounting principles that focused on fairness, transparency, and consistency. The objective was to formulate a set of generally accepted accounting rules that firms needed to adhere to so as to facilitate accurate financial reporting.

Gatla, (2023) admits that Normative theories gave rise to standards like GAAP (Generally Accepted Accounting Principles) and IFRS (International Financial Reporting Standards), which inform accounting practice all over the world. Accounting research has developed extensively over the years from basic bookkeeping techniques to an advanced scholarly field founded upon various theoretical foundations.

These theories provide perceptive glimpses into the way financial resources are managed by organizations, financial positions are reported, and regulatory demands are met. Accounting research in earlier times largely dealt with building normative rules for financial reporting. However, with growing complexities in business environments and economic systems, researchers began to adopt and develop positive theories aimed at explaining actual accounting practices and behavior (Watts & Zimmerman, 1986). Dyckman & Zeff, (2015) tells us that accounting research in the contemporary period integrates several views, borrowing from economics, finance, psychology, and sociology. Some of the theoretical bases which provide several viewpoints to researchers in interpreting financial decision-making, corporate governance, and regulatory compliance are Positive Accounting Theory, Agency Theory, Stakeholder Theory, and Institutional Theory. These theories supply the basis for accounting procedures to be explained, financial actions to be predicted, and financial reporting standards to be enhanced.

Accounting research has been significantly impacted by technological innovations, globalization, and continual regulatory modifications.

Emerging digital technologies such as artificial intelligence, blockchain technology, and big data analytics are revolutionizing the financial reporting and decision-making landscape. Marrone & Hazelton, (2019) notes that as a result, theories in accounting keep developing to respond to the disruptions caused by such technologies. Through the application of theories in analyzing such changes, researchers better understand how accountancy practice reacts to evolving economic and technological contexts (Arnold, 2018).

Influence of Accounting Theories on Research Approaches

Smith, (2022) illustrates that accounting theories have great influence on research methods since they supply the conceptual basis on which researchers formulate problems, state hypotheses, and select suitable methodologies.

These theories allow researchers to identify knowledge gaps and formulate research questions within a broader theoretical context. For example, positive accounting theory would lead a researcher to investigate how accounting methods are chosen by managers to further their self-interest, while normative accounting theory would result in asking what accounting methods should be used. Accounting theories also influence the choice of research paradigm.

Researchers influenced by positivist traditions tend towards theories such as PAT or agency theory focus on objectivity, measurement, and empirical testing. Interpretive paradigms, influenced by institutional or stakeholder theory, try to understand accounting practices within their social and organizational contexts. Critical paradigms, influenced by Marxist or critical theory, try to unmask the power relations and ideological forces underlying accounting systems. Accounting theories also have significant influence in the research approach adopted in research.

Ghanad, (2023) tells us Quantitative approach is generally applied in a positivist paradigm for testing hypotheses and examining relationships using statistical methods. For example, PAT researchers may use regression analysis when studying earnings management behavior. Yet, qualitative approaches like interviews, case studies, and ethnographic studies are more appropriately applied in interpretive or critical paradigms where meaning and context of accounting practice are the primary foci. An example would be using institutional theory to explore how cultural or regulatory environments shape financial reporting behavior. The theoretical framework also directs the selection of data collection techniques. Agency theory and PAT would likely use archival data in the form of financial statements and stock prices to make inferences. Stakeholder or legitimacy theory may promote the use of content analysis to study sustainability or corporate social responsibility disclosures. Institutional theory may prompt interviews or document analysis to determine the influence of organizational rules and norms on accounting decisions.

Furthermore, theories in accounting direct the interpretation of data. For instance, discretionary accruals would be viewed as opportunistic earnings management from an agency theory, but from the perspective of legitimacy theory, the same practice would be viewed as attempts at sustaining or recouping an organization's social license. In this manner, theory affects not only data and method, but conclusions as well.

Finally, accounting scholarship is more about testing, broadening, or critiquing existing theories. Empirical study may contrast predictions of PAT within different regulatory conditions, leading to its refinement or questioning of assumptions. In qualitative study, more so with grounded theory, novel understanding on theory may be advanced, particularly within less explored areas of accounting practice.

Technological Disruptions in Relation to Accounting Theoretical Adaptations

The accounting profession, conventionally based on documents and conservative methodologies, has been significantly unsettled by the rapid advancement of technologies. Shaleh, (2024) observes that ranging from automation and cloud computing to artificial intelligence (AI), blockchain, and big data analytics, technology is reshaping not only how accounting is being done but also how accounting theory is happening and adapting. These advancements compel scholars and professionals to redefine traditional accounting paradigms and frameworks in an attempt to remain relevant in an increasingly digital and data-driven world.

Technological disruption refers to innovations that redefine fully current systems or create totally new processes that substitute existing practice. From an accounting viewpoint, technological disruption has ushered in faster data processing, real-time reporting, and evolving data storage and authentication mechanisms such as blockchain (Abdullah & Almaqtari, 2024). All these advancements contradict the assumptions of the majority of past accounting theories, particularly those surrounding historical cost, periodic reporting, and centralized control systems. Thus, accounting concepts must accommodate such changes while remaining true to their basic purpose of providing credible, useful, and transparent financial data.

One of the simplest issues that technology raises is to the Historical Cost Accounting principle. Moro-Visconti, (2024), highlights that with the availability of real-time market information and valuation software, stakeholders anticipate timely and forward-looking information, and therefore fair value accounting and dynamic valuation models have become unavoidable. Traditional theories in favour of the use of historical cost because it is objective and verifiable must be re-examined on the backdrop of technological ability to provide more relevant (if less verifiable) information.

Positive Accounting Theory must also adapt to these developments. As technology makes more transparency and less information asymmetry possible, the incentive structures assumed in PAT such as opportunistic earnings management or withholding of information may change. For instance, computerized systems and audit trails made possible through blockchain can limit managerial scope for manipulation and discretion and hence require PAT to rethink some of its assumptions about behavior under accounting regulations. Similarly, to that, the agency theory, on which PAT heavily depends, will now have to take into account new applications of monitoring mechanisms and electronic monitoring mechanisms that bridge the classical gap between owners and managers.

In response to these disruptions, Normative Accounting Theory is making a comeback, especially in guiding accounting's ethical and social implications on technology implementations. Concerns over data privacy, algorithmic discrimination, and social impacts of automation also pose normative concerns over what accounting must accomplish in the digital age. Those theories previously focused on what information must be disclosed or how reporting must be for public interest are being reinterpreted to include technology-related considerations such as ethical use of AI, transparency of machine-made decisions, and accountability of automated financial reporting.

Furthermore, conceptual frameworks published by standard-setting bodies like the IASB and FASB are being updated to be usable in the presence of technological developments. The frameworks increasingly emphasize characteristics like timeliness, relevance, and understandability attributes that are enriched by real-time systems and digital interfaces. However, they also struggle with the issue of sustaining faithful representation and verifiability, which are more difficult when information is generated by advanced algorithms or AI models that lack transparency.

A new and fast-developing area of theoretical evolution is Digital Accounting Theory, whose purpose, according to Prasetianingrum & Sonjaya, (2024), is to integrate technology into the very root of accounting. This means reconceptualizing traditional accounting elements such as assets, liabilities, revenue, and equity within the framework of digital intangible resources, decentralized finance (DeFi), and alternative sources of income (for example, via platform-based economies). It also addresses new control and assurance mechanisms, such as smart contracts and automatic compliance systems, that reduce the role of people to a bare minimum and essentially change the role of accountants and auditors.

Technological disruption isn't necessarily technology that automates accounting procedures; it's disruptive forces undermining the underlying assumptions of accounting theory. As technology advances, so must accounting theory beyond rigid structures to more adaptive, future-oriented models that reflect the complexity, speed, and ethical nature of the digital economy. For regulators, practitioners, and scholars, the challenge is to construct theories that not only embrace innovation but also safeguard the core values of transparency, accountability, and trust that define the accounting profession.

METHODOLOGY

Using a qualitative, exploratory research approach, this study seeks to explore the ways in which accounting theories have shaped financial reporting practices, regulatory frameworks, and accounting research. Instead of testing theories, the researcher investigates the connections and functions that different accounting theories including normative, positive, agency, stakeholder, and institutional theories have had in influencing scholarly research and professional practice.

The study relies exclusively on secondary data collected through an extensive review of scholarly and institutional literature. Data sources include peer-reviewed journal articles, academic books, and authoritative documents published by standard-setting bodies such as the International Accounting Standards Board (IASB), the Financial Accounting Standards Board (FASB), and the Global Reporting Initiative (GRI). These materials were accessed through academic databases including JSTOR, Google Scholar, ScienceDirect, and SSRN, as well as official websites of regulatory institutions. The focus was on literature that discusses the theoretical underpinnings of accounting practice, the evolution of research methods, and the development of accounting standards.

Thematic content analysis, which entails locating, classifying, and interpreting major themes across the evaluated literature, was applied to the gathered data (Humble & Mozelius, 2022). The fundamental function of accounting theories, their impact on various research approaches (qualitative, quantitative, and mixed methods), and their role in the development of significant regulatory frameworks like IFRS, GAAP, and sustainability reporting guidelines are among the topics covered. In order to establish links between theory and practice across time, the analysis is interpretative in character.

The study stresses the use of reliable sources and employs a consistent methodology for data selection and analysis in order to guarantee legitimacy and academic rigor. To guarantee dependability, legitimate publications and peer-reviewed studies were given priority. To increase the conclusions' credibility, triangulation was employed to compare results from various academic, regulatory, and institutional literature types. In order to ensure the repeatability of the review process, a clear documentation method was maintained when relevant.

DISCUSSION AND CONCLUSION

It is worth emphasizing in my opinion as the author that accounting theories have played a significant role in forming professional practice, regulatory changes, and empirical research in addition to providing the discipline's intellectual underpinning. Because of changes in the sociopolitical milieu in which accounting functions, institutional dynamics, regulatory expectations, and economic realities, the relationship between theory and practice has changed significantly throughout time.

From the literature reviewed, the path of accounting research in the direction of pragmatism and predictive analysis has been significantly facilitated by positive accounting theory, which emphasizes predicting and explaining accounting choices grounded in self-interested behavior has provided managers with a rational, financially driven perspective to view managing actions. It is an observation that PAT has explained earnings management trends, accounting policy choice, and regulatory lobbying with the help of hypotheses like the bonus plan, debt covenant, and political cost hypotheses. Though PAT has its critics, particularly those who argue that PAT ignores social responsibility and ethical considerations, it remains one of the most influential concepts of modern accounting research, particularly in quantitative research.

Normative accounting theories, nonetheless, have been very central in the area of standard-setting. I also asserted that the Normative frameworks, in contrast to descriptive theory, are prescriptive; these set a blueprint on how financial reporting should be carried out with a view to achieving comparability, transparency, and confidence on the part of the stakeholders. Development of universally accepted standards such as Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) is encouraged by these theories. Normative theories give much-needed ethical and philosophical foundations which still guide standard setters, though sometimes accused of lacking empirical support.

Being accounting researchers, the epistemological basis for accounting research has been developed further by other theoretical approaches from these two base paradigms, including Agency Theory, Stakeholder Theory, and Institutional Theory. With its roots in economics, agency theory has described interest conflicts between principals and agents and informed structures of responsibility, incentives, and governance. It has been particularly prominent in research on internal control systems, executive compensation, and audit quality.

Accounting practice could not have evolved adequately to address a more complex society's growing demands without tapping into an underlying theory of legitimacy theory and stakeholder theory with foundations in political economics and sociology. They have informed interpretative and qualitative accounting research by highlighting the firm's broader social function. This essay argues that sustainability reporting research, environmental disclosures, and corporate social responsibility (CSR) research have developed thanks in large part to these constructs, and such concerns are now at the top of the agenda of institutional investors and regulatory bodies. Likewise, in synthesizing institutional theory it has provided insightful information on the way in which organizational norms, cultural expectations, and regulatory pressures influence accounting processes. It has allowed researchers to study how accounting systems change due to complexity or size of the institution according to the firm-level setting.

Methodological pluralism, which is the characteristic of contemporary accounting research, is one more instance of how these theories have touched the profession. Quantitative approaches characterize mainstream journals and are founded on positivism and supported by theories such as PAT and Agency Theory. These approaches employ econometric modeling and substantial data sets to test hypotheses and establish causality. Yet, qualitative research, based on institutional and stakeholder theories, is prone to employ ethnographic methods, case studies, and interviews in an attempt to reveal the meanings, perceptions, and power dynamics involved in accounting processes. In both traditions, mixed-methods research is being deployed more frequently to grasp the richness of actual accounting phenomena. As worldwide trends such as digitalization, stakeholder activism, and climate change persist in redefining accounting's expectations, theory will be increasingly important to guide research and policy. Theories will be essential in forecasting the future of accounting in a world where sustainability, accountability, and transparency are increasingly required. They will also be helpful in describing what is currently occurring.

More broadly, the changing face of accounting research demonstrates a continuous conversation among theory, empirical research, and practice, whereby theoretical paradigms shape empirical research, and empirical research in turn informs theoretical development as well as regulator design.

These dynamics highlight the importance of theoretical underpinning in enhancing the intellectual development and applied relevance of accounting research. Specifically, the application of the Theory of Planned Behavior (TPB) has yielded a systematic model for understanding how behavioral, normative, and control beliefs affect the behavior of accounting practitioners, particularly in matters pertaining to ethics, compliance, and professional judgment.

REFERENCES

Abdullah, A. A. H., & Almaqtari, F. A. (2024). The impact of artificial intelligence and Industry 4.0 on transforming accounting and auditing practices. *Journal of Open Innovation: Technology, Market, and Complexity*, *10*(1), 100218.

ADEBAYO, A. O., ADEYEMI, A. Z., & IBRAHIM, J. (2022). Relevance of accounting theory in the development of general tenets of accounting. *Journal of Contemporary Issues in Accounting*, *3*(1), 272–283.

Aderibigbe, A. A., Siyanbola, T. T., & Abiodun, O. O. (n.d.). *A Historical Analysis of Accounting Standardization Worldwide*. Retrieved April 10, 2025, from https://www.ijebmr.com/uploads/pdf/archivepdf/2024/IJEBMR_1354.pdf

Aerts, E. (2023). Single and double-entry bookkeeping in public and private accounts of the Southern Low Countries (1300-1800). *Vierteljahrschrift Für Sozial-Und Wirtschaftsgeschichte*, *110*(1), 4–29.

Agana, J. A., Zamore, S., & Domeher, D. (2023). IFRS adoption: A systematic review of the underlying theories. *Journal of Financial Reporting and Accounting*. https://www.emerald.com/insight/content/doi/10.1108/jfra-08-2022-0317/full/html?casa_token=8MKyXxNKR1MAAAAA:HsjufyvVivdKY2Mk-2w2ffgVqBHlMIQ8Kv5kyqcFhck_cGqS9oWQLhG8zd4RaXVrBJcNFiVxJ-yfjpNVcN3g2X9KeQnkkcb4592QpSWNg8HrJ5Gl2ro

Akpan, J., Oluwagbade, O., & Adewara, Y. (2023). Conflicts of Interest in Accounting: Implications and Solutions. *Journal Of Accounting and Financial Management*, *9*, 158–184.

Al-Adeem, K. (2021). Properly identified imaginary needs, an inaccurately proposed methodology: The case of Rochester school of accountancy's positive accounting methodology. *Journal of Accounting and Management Information Systems*, *20*(4), 607–645.

Angjaya, S. (2023). Choice of Accounting Method. *Available at SSRN 4517896*.

Arnold, V. (2018). The changing technological environment and the future of behavioural research in accounting. *Accounting & Finance*, *58*(2), 315–339. https://doi.org/10.1111/acfi.12218

Baker, C. R. (2017). The influence of accounting theory on the FASB conceptual framework. *Accounting Historians Journal*, *44*(2), 109–124.

Bellucci, M., Cesa Bianchi, D., & Manetti, G. (2022). Blockchain in accounting practice and research: Systematic literature review. *Meditari Accountancy Research*, *30*(7), 121–146.

Benjamin, S. J., Botes, V., & Singh, R. (2024). Fulfilling stakeholders' demand: Exploring CSR assurance's contribution to firms' environmental and social disclosures. *Business Strategy & Development*, *7*(1), e329. https://doi.org/10.1002/bsd2.329

Beuselinck, C., Elfers, F., Gassen, J., & Pierk, J. (2023). Private firm accounting: The European reporting environment, data and research perspectives. *Accounting and Business Research*, *53*(1), 38–82. https://doi.org/10.1080/00014788.2021.1982670

Bezuidenhout, L. (2025). Critically Unpacking the Concept of Equity for Open Science. *Social Epistemology*, 1–18. https://doi.org/10.1080/02691728.2025.2475460

Binda, J., & Qadir, A. (2024). Unraveling the controversy: Assessing the role of accounting theories in defining accounting tenets. *Scientific Journal of Bielsko-Biala School of Finance and Law*, *28*(1), 62–68.

Born, B. (2024). Theories and foundations: Ethics, urban agriculture, and planning. In *Planning for Equitable Urban Agriculture in the United States* (pp. 19–30). Springer.

Brink, S., & Steenkamp, G. (2023). Using accounting theory to develop a theoretical model for credit card rewards programme transactions. *Journal of Applied Accounting Research*.

Cahyono, S., & Daniel, D. R. (2023). The positivism paradigm in internal audit research: A perspective of contemporary accounting research. *Kompartemen: Jurnal Ilmiah Akuntansi*, *21*(1), 69–79.

Candio, P. (2024). Social and Normative Context of Sustainability. In P. Candio, *Sustainability and Corporate Performance in Health Care* (pp. 1–11). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-63985-2_1

Claessen, A. (2023). *Decision usefulness of accounting information and compliance with accounting standards*. https://opinvisindi.is/handle/20.500.11815/4490

Conteh, A., & Kaira, L. (2024). Effects of Financial Accounting Theories on Accounting Practice in Sierra Leone. *Formosa Journal of Multidisciplinary Research*, *3*(2), 133–152.

Darmawan, A. (2023). Audit Quality and Its Impact on Financial Reporting Transparency. *Golden Ratio of Auditing Research*, *3*(1), 32–45.

Dennis, I. (2019). The Conceptual Framework – A 'Long and Winding Road' …. *Accounting in Europe*, *16*(3), 256–289. https://doi.org/10.1080/17449480.2019.1624925

Dyckman, T. R., & Zeff, S. A. (2015). Accounting Research: Past, Present, and Future: Accounting Research: Past, Present, and Future. *Abacus*, *51*(4), 511–524. https://doi.org/10.1111/abac.12058

Ebrahimi, S. M., & Koh, L. (2021). Manufacturing sustainability: Institutional theory and life cycle thinking. *Journal of Cleaner Production*, *298*, 126787.

Fouad, B. (2024). *Innovation Accounting's Impact on Organizational Performance and Strategic Decision-Making-A Quantitative Study of Performance Metrics, Challenges and Opportunities.* https://gupea.ub.gu.se/handle/2077/82416

Freeman, R. E. (2023). The Politics of Stakeholder Theory: Some Future Directions. In S. D. Dmytriyev & R. E. Freeman (Eds.), *R. Edward Freeman's Selected Works on Stakeholder Theory and Business Ethics* (Vol. 53, pp. 119–132). Springer International Publishing. https://doi.org/10.1007/978-3-031-04564-6_5

Gatla, R. (2023). *Financial accounting theory and reporting practices*. Academic Guru Publishing House. https://books.google.com/books?hl=en&lr=&id=mQDwEAAAQBAJ&oi=fnd&pg=PA1&dq=Rooted+in+the+development+of+foundational+accounting+principles+and+standards,+this+theory+aims+to+establish+frameworks+that+promote+consistency,+transparency,+and+fairness+in+financial+reporting&ots=SarcxfpGcU&sig=RFeHcM81UKFAIDd1LmPYZt1DyFg

Ghanad, A. (2023). An overview of quantitative research methods. *International Journal of Multidisciplinary Research and Analysis*, *6*(08), 3794–3803.

Hamed, A. F., Hassan, H. M., Mohammed, M. T., & Hatem, F. (2024). Advanced Theories in International Accounting Standards. *Journal of Ecohumanism*, *3*(5), 281–292.

Han, H. (2022). *The impact of Artificial Intelligence (AI) and blockchain adoption in corporate governance: Ethical perspectives* [PhD Thesis, Brunel University London]. https://bura.brunel.ac.uk/handle/2438/25376

Hossain, M. Z., Johora, F. T., Raja, M. R., & Hasan, L. (2024). Transformative impact of artificial intelligence and blockchain on the accounting profession. *European Journal of Theoretical and Applied Sciences*, *2*(6), 144–159.

Humble, N., & Mozelius, P. (2022). Content analysis or thematic analysis: Similarities, differences and applications in qualitative research. *European Conference on Research Methodology for Business and Management Studies*, *21*(1), 76–81. https://books.google.com/books?hl=en&lr=&id=M2R2EAAAQBAJ&oi=fnd&pg=PA76&dq=Thematic+content+analysis&ots=NV9ptW2JZZ&sig=jd07PKi9ueJ3LYnG7HXe3-o6vKE

Iyenhen, C., & Sabit, M. S. (2023). The Emergence of Double Entry Bookkeeping and its Relevance to Modern Society. *Central Asian Journal of Innovations on Tourism Management and Finance*, *4*(5), 96–101.

Jawahar, I. M., & McLaughlin, G. L. (2018). Toward a descriptive stakeholder theory: An organizational life cycle approach. In *Business Ethics and Strategy, Volumes I and II* (pp. 381–398). Routledge. https://www.taylorfrancis.com/chapters/edit/10.4324/9781315261102-24/toward-descriptive-stakeholder-theory-organizational-life-cycle-approach-jawahar-gary-mclaughlin

Kejriwal, M. A. (2022). Positive accounting theory: A critical evaluation. *International Journal of Health Sciences*, *III*, 4500–4509.

Kurniawati, L., & Mujiyati, M. (2022). Analysis of Factors Affecting The Implementation of Social and Environmental Responsibility Disclosure in Property, Real Estate, and Construction Companies Listed on The Indonesia Stock Exchange 2015-2020. *Riset Akuntansi Dan Keuangan Indonesia*, 251–261.

Lee, T. A. (2020). Financial accounting theory. In *The Routledge companion to accounting history* (pp. 159–184). Routledge.

Lev, B., & Ohlson, J. A. (1982). Market-based empirical research in accounting: A review, interpretation, and extension. *Journal of Accounting Research*, 249–322.

Marrone, M., & Hazelton, J. (2019). The disruptive and transformative potential of new technologies for accounting, accountants and accountability: A review of current literature and call for further research. *Meditari Accountancy Research*, *27*(5), 677–694.

Marufu, T. (2022). *PUBLIC SECTOR ACCOUNTING STANDARDS SETTING PROCESS IN DEVELOPING ECONOMIES: AN INQUIRY INTO ZIMBABWE'S CONVERGENCE AND DIVERGENCE WITH INTERNATIONAL PRACTICE.* [PhD Thesis, Chinhoyi University of Technology]. https://ir.cut.ac.zw/xmlui/handle/123456789/289

Mesioye, O., & Bakare, I. A. (2024). Evaluating financial reporting quality: Metrics, challenges, and impact on decision-making. *Int J Res Public Rev*, *5*(10), 1144–1156.

Mohammed, M. M. (2024). *THE IMPORTANCE OF ACCOUNTING INFORMATION IN MANAGEMENT DECISION MAKING PROCESS* [PhD Thesis, SAKARYA UNIVERSITY]. https://enstituois.sakarya.edu.tr/TezDosyalari/1335_202412251345030491_TamMetin.pdf

Moro-Visconti, R. (2024). Startup Valuation. In R. Moro-Visconti, *Startup Valuation* (pp. 433–522). Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-77469-0_11

Olawale, A., & Obinna, E. (2023). Corporate governance, institutional quality, and firm performance: A comprehensive analysis of the oil & gas sector. *Journal of Finance and Economics*, *11*(3), 160–170.

Onah, K. A., & Edeh, I. T. (2024). The Effect of International Financial Reporting Standards (IFRS) Adoption on Financial Reporting Comparability. *International Journal of Advanced Finance and Accounting*, *5*(1), 48–61.

Otley, D. T., & Berry, A. J. (2019). Control, organisation and accounting. In *Management Control Theory* (pp. 101–114). Routledge. https://api.taylorfrancis.com/content/chapters/edit/download?identifierName=doi&identifierValue=10.4324/9780429422553-8&type=chapterpdf

O'uiha, M., & Lawai, S. T. (2022). *Aligning interests: The impact of CEO compensation schemes on corporate executive behaviour and the cost of debt: a thesis presented in fulfilment of the requirements for the degree of Doctor of Philosophy in Finance, Massey University, Palmerston North, New Zealand* [PhD Thesis, Massey University]. https://mro.massey.ac.nz/handle/10179/17606

Oyinkansola, G. A.-A., & Omodero, C. O. (2023). Impact of statutory audit and corporate taxation on profitability of selected listed companies in Nigeria. *Cogent Economics & Finance*, *11*(1), 2199552. https://doi.org/10.1080/23322039.2023.2199552

Patty, T. F. Q., & Lamawitak, P. L. (2021). Positive And Normative Accounting Theory: Definition And Development. *IJEMBIS*, *1*(2), 184–194.

Patty, T. F. Q., Lamawitak, P. L., Goo, E. E. K., & Herdi, H. (2021). Positive And Normative Accounting Theory: Definition And Development. *International Journal of Economics, Management, Business, and Social Science (IJEMBIS)*, *1*(2), 184–193.

Pinnuck, M., & Stevenson, K. (2021). Enhancing the Interface between Standard-setters and Academic Research. *Australian Accounting Review*, *31*(3), 169–185. https://doi.org/10.1111/auar.12343

Prasetianingrum, S., & Sonjaya, Y. (2024). The Evolution of Digital Accounting and Accounting Information Systems in the Modern Business Landscape. *Advances in Applied Accounting Research*, *2*(1), 39–53.

Rajgopal, S. (2021). Integrating Practice into Accounting Research. *Management Science*, *67*(9), 5430–5454. https://doi.org/10.1287/mnsc.2020.3590

Rezaee, Z., & Safarzadeh, M. H. (2023). Corporate governance and earnings quality: The behavioral theory of corporate governance (evidence from Iran). *Corporate Governance: The International Journal of Business in Society*, *23*(1), 189–218.

Schroeder, R. G., Clark, M. W., & Cathey, J. M. (2022). *Financial accounting theory and analysis: Text and cases*. John Wiley & Sons.

Shaleh, M. (2024). The Transformative Implications of Technology on Accounting Practices. *Advances in Management & Financial Reporting*, *2*(2), 98–109.

Smith, L. M. (2022). Examining intersecting lives: Luca Pacioli, father of accounting, and his friend, Leonardo da Vinci. *Accounting History*, *27*(3), 343–369.

Smith, M. (2022). *Research methods in accounting*. https://www.torrossa.com/it/resources/an/5282256

Stefan-Duicu, V. M., & Sudacevschi, M. (2024). OUTCOME OF PREVIOUS RESEARCH REGARDING NORMATIVE AND POSITIVE ACCOUNTING THEORIES: FINDINGS AND IMPLICATIONS. *Global Economic Observer*, *12*(1), 124–132.

Sumaila, I. (2022). *Corporate Governance and Performance of Commercial Banks in Ghana* [PhD Thesis, Universtiy of Cape Coast]. https://ir.ucc.edu.gh/xmlui/handle/123456789/10617

Utari, C., Manalu, M. W., Lubis, N. R., & Muda, I. (2023). Approaches and critiques of Positive Accounting Theory (PAT) and Normative Accounting Theory (NAT): A literature review. *Brazilian Journal of Development*, *9*(12), 31784–31799.

Watts, R. L., & Zimmerman, J. L. (1986). *Positive accounting theory*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=928677

Wiratama, R., & Asri, M. (2020). A literature review: Positive accounting theory (PAT). *Available at SSRN 3523571*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3523571

Zimmerman, J. L. (2024). Reflections on the founding of the journal of accounting and economics. *Journal of Accounting and Economics*, 101762.

Zyznarska-Dworczak, B. (2020). Sustainability accounting—Cognitive and conceptual approach. *Sustainability*, *12*(23), 9936.