

An Empirical Investigation of Libyan Professional Accounting Services

DR. YOUNIS HASSAN EL-SHARIF*

1. INTRODUCTION

The growth of the Libyan economy during the second half of this century has placed burdens upon the public accounting profession in Libya. Investors, creditors, and managers as well as state agencies need much more reliable information in order to make their daily decisions in relation to the economic development of the country. Therefore, the Libyan public accounting firms are expected to provide many reliable accounting services. Examples of these services are auditing, bookkeeping, services concerning liquidations, tax services, and systems design and installations.

Much has been written about these services in the environment of developed nations such as the United States and other western countries. However, few studies have been done to evaluate empirically the extent to which these services are provided in a developing nation such as Libya. Therefore, the purpose of this study is to evaluate and analyze empirically the current conditions of the professional accounting services in Libya. The study's major hypothesis is as follows:

Many professional accounting services are not widely provided by the public accounting profession in Libya because of

the characteristics of the Libyan accounting firms, the size of their clients and the shortage of qualified accountants.

In order to draw a conclusion concerning the above major hypothesis, a number of operational hypotheses were investigated in detail. These hypotheses are as follows:

Hypothesis 1: There is a relationship between the extent to which professional accounting services have been provided in Libya and the size of the accounting firms.

Hypothesis 2: There is a relationship between the extent to which professional accounting services have been provided in Libya and the age of the accounting firms.

Hypothesis 3: There is a relationship between the extent to which professional accounting services have been provided in Libya and the age of the accountants.

Hypothesis 4: There is a relationship between the extent of providing professional accounting services by the Libyan public accounting firms and the size of their clients.

Hypothesis 5: There is a shortage of qualified accountants who can contribute to the improvement of services which are provided by the Libyan public accounting profession.

To gather the necessary information for this research, questionnaires were sent to a random sample of fifty Libyan accounting firms. Instead of mailing the questionnaires, personal contact with these firms was undertaken. As a result, forty-six usable responses were received providing a response rate of 92 percent.

* Assistant Professor of Accountancy, University of Garyounis, Benghazi. The author wishes to express his appreciation to Professor Joseph A. Silvos and Professor Robert L. Kvam of the University of Missouri-Columbia for their valuable suggestions to this study.