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This thesis is about the uncertainty involved in the application of principles-based financial accounting standards.

The International Financial Reporting Standards (IFRS) are principles-based, meaning that they provide a conceptual basis for application rather than detailed rules. This means that there is inherent room for judgment in the application, which might affect financial reporting comparability. This study aims to explore and understand the application of principles-based accounting standards. The study depicts the valuation of internally generated intangibles from a local perspective.

There are three main conclusions from this study. First, there is a continuous ambition for instrumentality and efficiency when making decisions regarding the valuation of internally generated intangibles. The valuation is reflected against a number of concerns of the instrumental kind. Second, the appearance of the company is always reflected against the expectations of relevant actors. There is a constant awareness of the external stakeholders and their view of the company. Third, there is a co-existence of these two rationales. The judgments and the decisions within the companies are not independent of the external expectations and demands. Rather, they are affected by them through all the phases connected to research and development. The contributions to the literature relate to the understanding of the application of principles-based accounting standards at an organizational level as well as the development of the theoretical perspective within accounting research.

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SIMON LUNDH Application of Principles-based Accounting Standards

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## The Case of Internally Generated Intangibles

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