"The impact of digital assets on Accounting functions: In light of International Accounting Standards No. (38): An analytical study on a sample of academics and professionals in the city of Erbil"

[1]**Assist.Prof. Dr, Hazim Hashim Mohammed, [2]Dr. Mohammed Abdulazeez Mohsin**

[1,2]Accounting Dep./Administrative & Economic Collage, Salahaddin University/ Erbil

Abstract: Digital assets are "content" goods such as software, books, music, or movies which can be digitized and traded on a digital market place. With the increase in trade and ownership of digital assets, several important management issues have arisen. Accounting treatment for digital assets is one important management issue. It is argued that digital assets require regulations in terms of recognition then measurement and disclosure under international accounting standard no. (38). Therefore, the purpose of this research is to discuss the accounting problems that arise as a result of the growing importance of digital assets in the business environment and to propose suggestions based on the accounting concepts and standards. For this purpose, first, the increasing importance of digital assets is briefly explained. Then, the challenge created as a result of expanding trading volume of digital assets are discussed in terms accounting functions with suggestions for the appropriate accounting for digital assets. The two researchers used the analytical approach through distributing 48 questionnaires to academics and professionals in city of Erbil to achieve the objectives of the study and test its hypotheses, after the analysis, the researchers concluded that the digital assets explain 72.7% (coefficient of determination) of the changes in accounting function (and a significant correlation equal to 85.3%)that mean digital assets have a significant effect on the accounting functions in terms of recognition, measurement and disclosure. We offer a roadmap for future researchers to explore and examine which accounting treatments are more suitable for digital assets in terms of recognition, measurement, and disclosure.

Keywords: Digital assets, Problems of recognitions, measurement and disclosure of digital assets under international accounting standard no. (38).

operating those devices. Some of these the products are available on the online account of the website that provides these assets and does not provide for downloading them to your device, so you will always need an Internet connection to use them. The increased digitization of organizational processes and assets poses new challenges for understanding assets innovation. It also opens new horizons for information systems research. We analyze how ongoing pervasive digitization of assets innovation reshapes knowledge creation and sharing in innovation networks. We argue that advances in digital technologies (1) increase innovation network connectivity by reducing communication costs and increasing its reach and scope and (2) increase the speed and scope of digital convergence, which increases network knowledge heterogeneity and need for integration. These developments, in turn, stretch existing innovation networks by redistributing control and increasing the demand for knowledge coordination across time and space presenting novel challenges for knowledge creation, assimilation and integration. Based on the studies of (Jeny, 2017), (Nylen & Holmstrom, 201) and (Kupenova & et al, 2020) that focused on the role of accounting in digital assets and the most problems that accountants face when they are recognized, then measured and disclosed. Therefore, we show the impact of digital assets on the accounting functions from recognition, measurement and disclosure in an accounting perspective in accordance with international accounting standards No (38). We identify accounting recognitions problems facing

1. Introduction;

Today, digital assets (digital products) are traded all over the world via the Internet with no physical substance. This change in the form of delivery of digital assets has increased the debate on the classification of digital assets, as goods or services, which is important for their legal taxation and accounting treatments (Strader, 2011), and digital activities have grown rapidly and become an important economic contributor. Across major economies, including the U.S., U.K., France and Germany, expenditure on digital skills, digital equipment, software and intermediate digital goods and services are significant sources of economic activity (Watson, 2018). E-commerce is a broad concept wholesale trade includes various types of products and transactions, within these products we find digital assets these assets are just as important as others physical, such as smartphones, tablets, cooking machines, clothes, food, etc. Indeed, many of the platforms were built to provide these products to those interested in financial assets estimated at millions among the countries of trade are estimated at billions. Digital assets are available online and can be used on computers, smartphones, and watches smart and other devices such as smart televisions, you do not get these assets through shipping or delivery to the consumer, but by downloading it after less than a minute after paying for it and getting it immediately and while, so they are intangible assets that cannot be carried or kept in the room, rather they are usually stored in electronic devices used by customers and available for use by

In literature, studies on "digital assets" and "digital economy" have been conducted on their marketing, distribution and management models. Where all of David (2002, p.67) and Mullins (2005) argued, uncertainty over the accounting of digital products and accounting treatments for digital products should be investigated, because this is important for the development of the regulations and standards. According to Mesenbourg (2018) aims to describe the United States Census Bureau's e-business measurement program. The paper discusses our measurement framework and associated definitions, our measurement strategy, the ambitious measurement program now underway, initial results, and future plans requiring additional funding. The paper concludes with a summary of lessons learned. Study of Ide, et al, (2019) who focused to propose a unique way of directly measuring consumer well-being using massive online choice experiments. This methodology assigns a dollar value to the free digital goods people use by asking them how much it would take to relinquish the products for a period of time. while Karaibrahimoglu (2011), on his study focused on digital products and daily transactions and the problems facing accounting in terms of how to recognize revenues and expenses and record transactions on an appropriate basis, as well as presenting those products classified as tangible (physical) or intangible (service related) at the end of the accounting period.

Bhattachargee & et al. (2011) begin with a discussion of the major technological milestones that have shaped digital goods industries such as music, movies, software, books, video games, and recently emerging digital goods. Their emphasis is on economic and legal issues, rather than on design science or sociological issues, they explore how research has been influenced by the major technological milestones and discuss the major findings of prior research. But Study of Jeny (2017) aims to focuses first on identifying the accounting issues raised by new digital transaction methods and, based on examples drawn from companies in the new economy, raises the issue of the increased accounting recognition of intangible assets. While according to Shehada & shehada (2020) aimed to explain and analyze the challenges of accounting for cryptocurrencies in light of the current accounting framework of the International Financial Reporting Standards (IFRS) and identify an appropriate model for

digital assets innovation then accounting measurement on the one hand, and on the other hand, the issue of accounting disclosure of how accounting information about digital assets is presented in the working environment, from this perspective, we can diagnose the research problem, by: The exchange of digital assets is increasing and developing continuously in the global markets. Where a profession accounting had to keep pace with this development by diagnosing obstacles accounting recognitions after that measuring and communicating financial information related to digital assets and processing them, and according to the researchers 'knowledge of modern sources, it was found that there is a lack of resources that diagnose the most important problems that will face the accounting functions under international accounting standards no. (38), and on the basis of that the research problem can be posed. During the following question: dose digital assets effect accounting functions in terms of recognition, measurement and disclosure in the current circumstances? The importance of research is highlighted by the importance of the topic we address, as digital assets are considered among the topics especially modern for the local environment. If the world is now directed towards this type of product, there is a demand it has a large number of consumers, and therefore it is necessary for the accounting profession to keep pace with this development as it is a specialist system for recognitions and measuring the financial value of these assets and how to disclose their financial results. As for the aim of the research, presents a comprehensive study on the concept of digital assets as electronic commerce that dominates commerce at the present time and diagnosing the most important problems that are facing accounting functions from the viewpoint of academics specializing in accounting and professions on digital assets under international accounting standards No. (38). The research relies on a basic hypothesis: the emergence of digital assets poses a great challenge to accounting when it is recognized and there is an urgent need to develop accounting tools so that accounting can perform its functions properly, as it provides financial information that is suitable for management decisions, and this requires diagnosis and identification of problems of recognitions, measurement and disclosure first, then finding appropriate solutions.

Conceptual framework of the study is based on the use of a analytical descriptive method through the collection of relevant data the subject of the research, with the aim of gaining access to knowledge related to the research problem and by distributing a questionnaire, the questionnaire contains a sample of academic and professions in the city of Erbil.

2. Literature review;

many important administrative issues have arisen (Karaibrahimoglu, 2011). But it is not limited to the previous types, and the number of different types of digital assets is increasing dramatically due to the increasing number of devices that represent a channel for digital media, such as smart phones. Due to this steady growth of software applications and the enormous diversity of user touch points covering a wide range of devices, our view of the total world of digital assets is increasing. In their Intel presentation at the company's "2013 Intel Developer Forum" they named several new types of digital assets including: medical, education, voting, friendships, conversations, and reputation among others (Laura, 2015). According to (Strader, 2011), based on their attributes, delivery processes and serving purposes digital products are divided into three categories; tools and utilities, content-based digital products, and online services. Tools and Utilities are products that are used as an assistant tool to meet specific purposes of customers. Software programs are one of the most frequently traded digital products categorized under tools and utilities. Content-based Digital Products are products that contain information. E-books or databases are examples of content-based digital products. Online Services refers to other digitally traded services including online resources, consultancy services, banking services, subscription services.

Digital assets deliver a technological upgrade to the general economic world. Providing benefits ranging from real-time gross settlement transactions to allowing a portion of a fine art piece to be traded on the speculative markets, defined as any digital file/program that is copyrighted intellectual property; this can be as diverse as digital songs, films, pictures, documents or software. In this setting of global economic systems, however, digital currencies and payments software/networks are the relevant movers from this asset class. (R., 2019). Every business should have a process for making sure that digital files are secure. Many businesses use digital asset management (DAM) software to organize assets quickly and efficiently, safely store, protect, and manage digital assets. DAM software allows businesses to quickly search and access files while keeping their data safe. The combination of DAM software and cyber liability insurance provides strong protection against hackers (Regli, 2018).

As for the impact of digital assets on the accounting functions, the researchers will show the most important accounting treatments for digital assets is one important management issue. It is argued that digital assets require regulations in terms of recognition, measurement, and disclosure (reporting)

accounting of cryptocurrencies, the findings of the study concluded that there are deficiencies in the IFRS for accounting of cryptocurrencies compared with traditional IFRS framework. The previous studies dealt with the issue of digital assets in general and in terms of the role of accounting from several different aspects, most of them were keen to explain the role of accounting problems from strategic measurement and recording expenses and revenues for digital products (cryptocurrencies), including music, films, educational books and various programs. Where this research came under the title "The impact of digital assets on accounting functions: In light of International Accounting Standards No. (38): An analytical study on a sample of academicians in the accounting department", to shed light on the extent of the impact of digital assets on the problems of the three accounting functions of recognition, measurement and delivery of accounting information related to digital assets of the bodies related to the subject of the research. To the best our knowledge, this research will be the first at the level of the country and the Kurdistan region.

3. An overview of the theory framework;

Today, accounting has come to seize a significant position in its functions in the business world; it plays a critical role in the operation of an organization. For every business, it is important that the financial information of the business activities is being kept up-to-date and monitored by the organization (Nizam, 2018). Accounting involves various processes for different events and from these events are digital assets that come in a variety of forms, and has become more common in marketing and creative communication and are constantly changing, along with technology and social trends (Collens, 2015), Through the former, digital assets can be defined as the product of the information process(Kang, 2018) or as an electronic record in which an individual has a right or interest, but does not include the underlying asset or liability unless the asset or liability is itself an electronic record. In turn, a "record" is defined as information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. Finally, "electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities (Walker, 2017).

As for the types of digital assets, they are "content" goods such as programs, books, music or movies that can be digitized and traded in the digital market. With the increase in trade and ownership of digital products,

services through information technology, such as information diversion and data association. Intangible assets do not have shared content. No one shall occupy and use intangible assets without the permission of the owner who shall enjoy the benefits from intangible assets. Therefore, based on the characteristics of digital assets, it is recommended to set up a new general ledger account titled "Digital Assets" under asset accounts to record changes in digital assets. At the same time, two subsidiary accounts are set up, namely, "Provision for Impairment of Digital Assets" and "Accumulated Amortization of Digital Assets". Therefore, the cost of digital assets should be amortized during the benefit period. In addition, "Provision for Impairment of Digital Assets" records the impairment due to potential factors (i.e. recoverable amount of digital assets is lower than book value).

3.2 Accounting Measurement of digital assets;

In the accounting literature the term measurement is commonly used to mean the assignment of monetary units to accounting phenomena. The purpose of accounting is to represent the empirical relational structures of accounting phenomena by monetary units. An analysis of the definition of accounting also suggests that the accounting concept of measurement hinges on the assignment of monetary units to accounting phenomena. (Musvoto, 2011) according to (Okoeguale & Famous, 2013) determine measurement of accounting into: Fair value, Historical cost, Replacement cost, liquidation value, net realizable value and present value of future cash flows.

A second issue associated with the accounting of digital assets is measurement and valuation. If digital products are capitalized, their initial value and subsequent valuation basis should be determined. A digital product recognized as an asset should initially be measured at cost. The cost of the acquired digital product is the purchase price (DOR, 2009), and another measurement for subsequent measurement would be appropriate to use the fair value for digital products. A fair value may be the market value or the net cash inflow into an entity expected from the use of the digital product. However, as net cash inflow is a subjective measure, it would be more appropriate to use market value for the subsequent valuation of digital products. (Strader, 2011)

Where digital products are capitalized, depending on the categorization of digital products as inventory or a long-lived intangible asset, an amortization problem arises. In accounting, depending on their characteristics, long-lived assets are subject to depreciation or amortization. For the amortization of digital products, first the useful life of the digital products should be determined. If these have an

3.1 Accounting recognition of digital assets;

A digital product, either self-created or acquired, can be classified as an asset and capitalized if a future economic benefit is expected to flow into the entity through its use. Otherwise, any other digital products that fail to meet the asset definition would be recognized as an expense when incurred. According to International Accounting Standards IAS 18, revenue is recognized if (1) it is probable that any future economic benefit associated with the item of revenue will flow to the entity, and (2) the amount of revenue can be reliably measured. Thus, in the accounting of digital products, revenue should be recognized in accordance with the delivery of goods or services. If the digital products are delivered at one time, it is easy to determine the amount of revenue or expense. However, the digital products may cover a bundle of digital goods or services, contracts or online services over a specific period of time or for specific level of information. The expense and revenue associated with these types of digital products or services should be recognized depending on their use or delivery. ((Strader, 2011)), but according to Ajao & Theophius, (2016) digital assets can be recognized as an intangible asset requires an establishment to show that such item meets the definition and recognition criteria. Cost of initial acquisition or internally generated criterion is crucial. Assets in accounting standards are clearly defined as resources owned or controlled by economic units due to past transactions or events, and are expected to generate economic benefits for units. Although differing from tangible assets, digital assets can bring indirect inflows of benefits to economic units and reasonably estimate the costs. Therefore, digital assets should also be recognized as a special asset of units, digital assets cannot exist independently, which must depend on intangible assets (Intangible asset is defined according to IAS no. 38 is an identifiable non-monetary asset without physical substance. It is a claim to future benefit that does not have physical assets financial embodiment. Patents, copyright agreements, brands, research and development expenditure, and franchises are in this category) such as knowledge assets.

But regarding to Kang, (2018), digital assets are by no means equivalent to intangible assets. because, digital assets are not directly invested in production activities, cannot bring direct inflows of economic benefits, but The actual value of digital assets can be estimated based on the expenditure under development or the present value of inflows of economic benefits for units in the future. Digital assets are both property exclusive and content-sharing, which digitize knowledge assets to provide people with high-quality value-added

According to the principle of importance, digital assets should be properly disclosed in the accounting report. Digital products that meet the definition of assets are reported in the balance sheet and other digital products are recognized as expense or revenue in the income statement. In addition to financial statements, the valuation base, amortization and the classification of the digital products should be clearly reported in the notes of the financial reports. For companies providing both digital and traditionally-traded products, a segment reporting should be required to report any profit or loss resulting from digital products' operations. In addition, entities trading only digital products should also prepare segment reporting by regions, because trading of digital products is across borders (Strader, 2011). In addition, the risks faced by digital assets should be disclosed. If the developed digital assets are replaced by better technology, data, models, etc., the value of the digital assets will be greatly reduced. Therefore, the risks faced by current digital assets should be properly disclosed (Kang, 2018)

According the researchers 'opinion on disclosure, there are no disclosure requirements specifically designed for digital assets and related transactions. However, that does not mean that no or limited disclosures are appropriate for digital assets and related transactions regardless disclose under intangible assets, because there is no accounting standard specifically addressing the accounting for those types of asset.

4. Statistical analysis of the questionnaire:
The questionnaire was distributed in two different categories that included (Academics and Professionals) and for a sample of (60) in the Kurdistan Region, (48) forms were valid for analysis. The questionnaire was analyzed through the SPSS statistical program and Easy Fit.

4.1: Statistical description of general information's:
The general information of the research is summarized in Table (1).

infinite life they should not be amortized. In contrast, digital products with a finite life should be amortized over the useful life of the digital product. If the digital product is classified as inventory, for subsequent measurements, the lower of cost or net realizable value (NRV) principle, where NRV is the estimated selling price less the estimated cost of completion and selling costs (Mullins, 2005)

According to the researchers' opinion, the appropriate basis for measuring the value of digital assets is the fair value basis (According to IFRS 13 fair value is defined as: "the price that would be obtained when selling an asset or paid for a liability in an orderly transaction between market participants at a measurement date"; the meaning of fair value include both of entry price and exit price (IFRS 13, 2012)), because it is closer to the reality of the situation when it is exchanged between dealers than the seller and the buyer, regardless it has some problems to measure at fair value, because measurement in these markets makes fair value estimates based on self-management techniques; This thus results in irrelevant and unreliable information for decision making, and using fair value arises from the higher costs associated with these values It is therefore expected that these obtained values will be unhelpful and conflict with the concept of information cost/utility value for producing information. Another problem with this measurement arises when the amount of income recognized under these fair value measurements is able to distort real income due to the inclusion of unrealized gains or losses in the financial statements (Aladwan, 2018).

3.3 Report of Digital Assets (disclosure)
Defined disclosure in general as any deliberate release of financial (and non-financial) information, whether numerical or qualitative, required or voluntary, or via formal or informal channels. There are different means for companies to disclose information (4) such as annual reports, conference calls, analyst presentations, investor relations, interim reports, prospectuses, press releases, websites, etc. (PPa & Marston, 2010).

Table (1): Statistical description of general information

General Information	Frequency	Percent
1. Scientific Certificate:		
Master's degree	28	56.3
PhD	11	22.9
Chartered Accountant	10	20.8
2. Type of certificate:		
Academic	38	79.2
Professionals	10	20.8
3. Years of Experience:		
1 – 5 years	7	14.6
6– 10 years	17	35.4

11– 15 years	7	14.6
16 years and more	17	35.4
Total	48	100

which included (18) questions Segmented into two variables, where the first variable (independent) included (13) questions while the second variable (dependent) included (5) questions and the arithmetic means of each of the equation from questionnaire study evaluated by Likert scale (Totally not agree = 1, Not agree = 2, Not sure = 3, Agreed = 4, and totally agree =5). On this basis, the level question means according to the importance and the degree of agreement with the hypothesis of the research and summarized in the following tables:

The first variable: Digital Assets:

Table (1) shows that the sample studied included scientific degree, 56.3% of the (master's degree) class, 22.9% of the (PhD) class, and 20.8% of the (Chartered Accountant) class. For type of certificate, 79.2% of the (Academic) class and 20.8% of the (Professionals) class. For years of Experience, 14.6% of the (1-5 year) class, 35.4% of the (6-10 year) class, 14.6% of the (11-15 year) class, and 35.4% of the (16 years and more) class.

4.2: Description and diagnosis of study variables:

In this analysis, the number of frequencies and percentages of study variables will be calculated,

Table (2): Descriptive Statistics for first variable

Q.s	Totally not agree		Not agree		Not sure		Agreed		Totally agree		Mean	Std. D.	Degree of agre.
	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.			
Q1	0	0	2	4.2	3	6.3	24	50.0	19	39.6	4.25	0.758	85.00
Q2	0	0	1	2.1	3	6.3	19	39.6	25	52.1	4.42	0.710	88.40
Q3	0	0	3	6.3	8	16.7	23	47.9	14	29.2	4.00	0.851	80.00
Q4	0	0	1	2.1	2	4.2	16	33.3	29	60.4	4.52	0.684	90.40
Q5	0	0	3	6.3	3	6.3	21	43.8	21	43.8	4.25	0.838	85.00
Q6	0	0	0	0	3	6.3	19	39.6	26	54.2	4.48	0.618	89.60
Q7	1	2.1	5	10.4	10	20.8	23	47.9	9	18.8	3.71	0.967	74.20
Q8	0	0	3	6.3	9	18.8	18	37.5	18	37.5	4.06	0.909	81.20
Q9	0	0	6	12.5	11	22.9	19	39.6	12	25.0	3.77	0.973	75.40
Q10	0	0	2	4.2	1	2.1	25	52.1	20	41.7	4.31	0.719	86.20
Q11	0	0	2	4.2	8	16.7	24	50.0	14	29.2	4.04	0.798	80.80
Q12	0	0	3	6.3	5	10.4	26	54.2	14	29.2	4.06	0.810	81.20
Q13	0	0	4	8.3	6	12.5	19	39.6	19	39.6	4.10	0.928	82.00
Mean	0.08	0.16	2.69	5.63	5.54	11.6	21.23	44.23	18.46	38.48	4.152	0.813	83.03

(0.684) and an agreement degree is 90.4%, While the seventh question was in the last rank with an average equal to (3.71) and is also greater than the average agreement for the Likert scale with a standard deviation is (0.967) and the degree of agreement is 74.2%. While the rest of the questions have averages and degrees of agreement ranging between them.

The second variable: accounting functions:

Table (2) shows that the general average (Mean) for the first variable (Digital Assets) is (4.152), which is greater than the level of Likert Agreement (3), with a standard deviation (0.813), and an agreement level is 83.03% with the study hypothesis .The fourth question also obtained the largest average agreement (4.52), which is greater than the average agreement of Likert scale, which is equal to (3) with a standard deviation

Table (3): Descriptive Statistics for second variable

Q.s	Totally not agree		Not agree		Not sure		Agreed		Totally agree		Mean	Std. D.	Degree of agre.
	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.			
Q1	0	0	2	4.2	7	14.6	27	56.3	12	25.0	4.02	0.758	80.40
Q2	1	2.1	2	4.2	6	12.5	27	56.3	12	25.0	3.98	0.863	79.60
Q3	0	0	0	0	3	6.3	17	35.4	28	58.3	4.52	0.618	90.40
Q4	0	0	1	2.1	5	10.4	25	52.1	17	35.4	4.21	0.713	84.20
Q5	0	0	1	2.1	2	4.2	18	37.5	27	56.3	4.48	0.684	89.60
Mean	0.20	0.42	1.2	2.52	4.60	9.60	22.8	47.52	19.2	40.0	4.242	0.727	84.84

which is greater than the level of Likert Agreement (3), with a standard deviation (0.727), and an agreement

Table (3) shows that the general average (Mean) for the second variable (accounting functions) is (4.242),

addition to measuring internal consistency, you wish to provide evidence that the scale in question is unidimensional, additional analyses can be performed. Exploratory factor analysis is one method of checking dimensionality. Technically speaking, Cronbach's alpha is not a statistical test–it is a coefficient of reliability (or consistency). On this basis it will be used Cronbach's alpha coefficient.

On the other hand, content Validity; assume that we can detail the entire population of behavior (or other things) that an operationalization is supposed to capture. Now consider our operationalization to be a sample taken from that population. Our operationalization will have content validity to the extent that the sample is representative of the population. To measure content validity, we can do our best to describe the population of interest and then ask experts (people who should know about the construct of interest) to judge how well representative our sample is of that population. To measure the consistency with sincerity (which represents the root of the reliability coefficient) questionnaire and summarized by the following table:

level is 84.84% with the study hypothesis .The third question also obtained the largest average agreement (4.52), which is greater than the average agreement of Likert scale, which is equal to (3) with a standard deviation (0.618) and an agreement degree is 90.4%, While the second question was in the last rank with an average equal to (3.98) and is also greater than the average agreement for the Likert scale with a standard deviation is (0.863) and the degree of agreement is 79.6%. While the rest of the questions have averages and degrees of agreement ranging between them.

4.3: Test reliability coefficient and Validity of the questionnaire (consistency):

Reliability, simply put, a reliable measuring instrument is one which gives you the same measurements when you repeatedly measure the same unchanged objects or events. Also note that I can never know what the reliability of an instrument (a test) is, because I cannot know what the true scores are. I can, however, estimate reliability. Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. A "high" value for alpha does not imply that the measure is unidimensional. If, in

Table (4): Reliability Statistics

The variable	Cronbach's Alpha	Validity	N of Items
First variable	0.878	0.937	13
Second variable	0.746	0.864	5
All variables	0.913	0.956	18

test χ^2 (by using Easy Fit program) on which determines the tool and the appropriate test to test the study hypotheses, test the following hypotheses:

H_0: The means of the questionnaire variables have normal distribution.

H_1: The means of the questionnaire parts have non-normal distribution.

The test results are summarized under the significance level (0.05) by the following table :

Table (4) shows that the reliability statistics, for Cronbach alpha values are (0.878, 0.746, and 0.913) and the validity vales are (0.937, 0.864, and 0.956), and they are all greater than 0.60 and 0.80 respectively and it reflects the high reliability of the measuring instrument. Moreover, it indicates a high level of internal consistency with respect to the specified sample.

4.4: Test data distribution:

Here will test questionnaire variables and means have a normal distribution or not through the use of non-parametric test (Kolmogorov-Smirnov) and parametric

Table (5): Test of Normality

Variables Means of study	K.S.			Chi-Squared			Result
	Statistic	P Value	Critical Value	Statistic	p Value	Critical Value	
First variable	0.1149	0.5141	0.1922	2.6861	0.7482	11.07	Normal
Second variable	0.1597	0.1551	0.1922	2.0927	0.5534	7.8147	Normal

4.5: Hypothesis of the impact (and correlation) of digital assets on accounting function:

To test the significantly the hypothesis of effect, the simple linear regression model was estimated and calculate the coefficient of determination. The simple regression model and correlation will be estimated between the independent variable (digital assets) and the dependent variable, which represents the general mean of the accounting function and the following hypothesis test:

H_0 : There is no significant effect (and correlation) of digital assets on accounting function

H_1 : There is significant effect (and correlation) of digital assets on accounting function

The results are summarized in the following table:

Table (5) shows that by using (K.S.) test the means of the all variables are distributed normally because the p-values are equal to (0.5141 and 0.1551) respectively and its greater than the significance level (0.05), and Statistic (0.1149 and 0.1597) respectively are less than (0.1922), and by using Chi-Squared test the means of the all variables are also have normal distribution because the p-values equal to (0.7482 and 0.5534) respectively and its greater than the significance level (0.05), and Statistic (2.6861 and 2.0927) respectively, are less than (11.07, and 7.8147) respectively and on this basis will be selection parametric regression to test the significance of the effect.

Table (6): The model and test

The model		Coefficients of regression	t	Sig.	F	R^2	R
	(Constant)	0.751	2.363	0.022	122.36	0.727	0.853
digital assets	Slop	0.841	11.062	0.000			

level and degrees of freedom (1 and 46) which is equal to (4.06). All the parameters (0.751 and 0.841) of the model are significant because the p-values (0.022 and 0.000) less than the (0.05) significantly level, thus there is significant effect of the digital assets on accounting function. Figure (1) illustrates that:

Table (6) shows that the digital assets explains 72.7% (coefficient of determination) of the changes in accounting function (and a significant correlation equal to 85.3%). And linear regression appropriate model for such data because F-value equal to (122.36), it is the largest of tabulated value under the (0.05) significantly
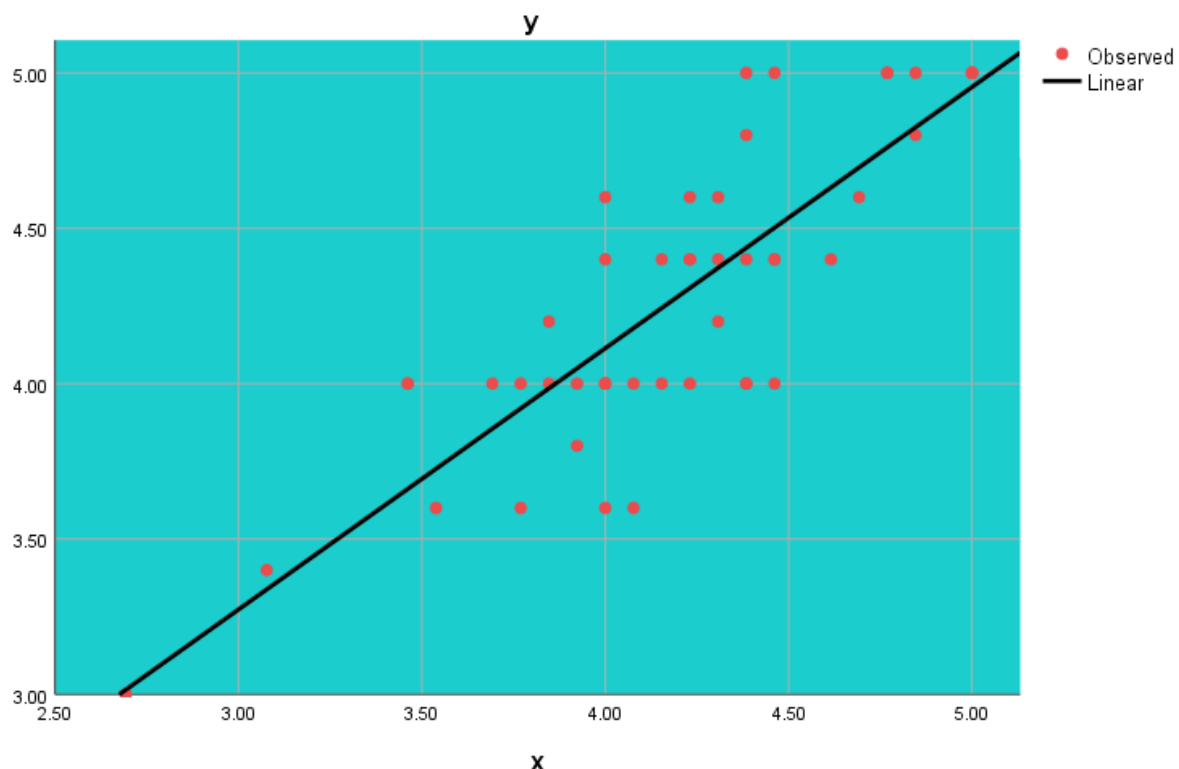
Figure (1): The linear model for effect of digital assets on accounting function

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5. Conclusion.

In recent years, there has been a rapid growth in digital assets traded on the market. The digital economy has led to a change in the method of production and delivering of goods and services. There is now no need for a physical carrier medium for the trade in goods or services such as software programs and online newspapers, music, books, almost all kind of banking services, consultancy services, films, ticket sales, education, which are delivered electronically over the Internet. This new form of business has raised important problems on how to manage these digital products. In this research, as digital assets have similarities to intangible assets, and presents a framework that shows that Digital Assets has a significant effect on Accounting Function, so researchers should start to examine the suitable accounting treatments for digital assets based on the accounting standards (IAS 38) for intangible assets especially on terms of recognition, measurement, and disclosure. Overall, it is important to say that, without a proper classification, it would be impractical to make suggestions and interpretation for the accounting treatment of digital products

Our study of this domain of research leads us to the view that the research community has now built a critical mass of knowledge to the level where we can set an ambitious integrative research agenda towards building a set of general principles of digital assets. Also leads to shed light on how digital assets effect Auditing. And is it time now to build the digital auditing frameworks and standards? This new scope needs more experimental research.

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