

**APPLICATION OF INTERNATIONAL ACCOUNTING STANDARD 41 AND  
QUALITATIVE CHARACTERISTICS OF ACCOUNTING INFORMATION  
A CASE OF KABUYE SUGAR WORKS - SUGAR MANUFACTURING FIRM IN  
RWANDA**

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**ABSTRACT**

The overall objective of this study was to examine the impact of application of IAS 41 on qualitative characteristics of accounting information in Kabuye Sugar Works. Specifically, with a review of recent journals on the subject matter, the study explored the extent to which IAS 41 is applied in determining fair value of sugar cane plants and ratoons and thus, determined the effects of application of IAS 41 on qualitative characteristics of accounting information. The research was an exploratory study. Simple stratified random sampling technique was used. From each stratum a census was used to select 33 respondents representing the entire group of the accessible target population. Primary data and secondary data were used in the study. To achieve the desired research objectives, a structured and semi-structured self-administered questionnaire were used to collect primary data, published annual financial statements, management accounts and quarterly reports were used to verify primary data. Statistical data analysis packages were used to analyze data. Analyzed data is presented in the form of tables, charts and graphs. The study found that Kabuye Sugar Works was not wholly valuing sugar cane plants and ratoons as per the guidelines of IAS 41. Forty two percent (42%) of the respondents expressed reservations about the standard. The study also revealed that users of the accounting information had a common opinion that application of IAS 41 did not impact on qualitative characteristics of accounting information. The study therefore recommends Kabuye Sugar Works to fully adopt the guidelines of IAS 41 including valuing cane ratoons and incorporating in financial reports. The users of accounting information should be enlightened about IAS 41 and the qualitative characteristics of accounting information.