[Title]

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**Introduction**

The paper is about analysis of the case “Seeing is Believing” in which the case has been analyzed from all aspects. In the report several presented questions in the case are answered based on the information provided in the case and material taken from chapter 2 and Chapter 4. The report include major characteristics which predict comparatively low and high disclosure level in Mexico. Despite, the key and crucial improvements in the accounting standards are identified in the report.

**Characteristics That Predict Relatively Low Disclosure Levels In Mexico**

1. **Source of Finance (From Chapter 2 and Chapter 4)**

The finance sector of the state of Mexico has been highly and mostly funded by the banks and household individuals. These two factors are much and exceedingly connected with the low financial disclosure level.

1. **Participation of Government (From Chapter 2 and Chapter 4)**

Number of industries have been privatized in the state while numerous firms or enterprises are quiet possessed and operated by government. And the banks and household individuals/family which funding these private sectors conventionally upheld highly near links with the community officials (Choi, & Meek, 2010).

1. **Lawful Systems and Regulations**

Mexico is one of the code regulation countries that is related by means of low disclosure by itself. Hence, the accounting career of Mexico traditionally had too nearby links with its major complement in state of US. It hugely overshadows presence of a code commandment structure and procedure (Wheeler, & Mody, 2002).

1. **Economic Development Level**

In comparison with the US and Western Europe, Mexico is somehow less developed. As the disclosure rises through the financial growth. So it will comparatively low disclosure in Mexico.

1. **Protection of Shareholders Level**

The information in the Chapter 5, suggests the protection of shareholders in highly developing economies is very elementary. A lower level of shareholders shield include additional belongings comparatively lower lawful needs for financial/economic disclosure (Choi, & Meek, 2010).

**Characteristics That Predict Relatively High Disclosure Levels In Mexico**

1. The traditionally and historically low relation between United States and Mexico, accounting profession (information from Chapter 4) will encourage the practices regarding disclosure in Mexico toward imitation of these in US that are the highest in the entire globe (Wheeler, & Mody, 2002).
2. The resulting closure and NAFTA in Mexico, United States and Canada has led this to the regulators and accountants in all of those three states/countries while getting agree for persuasion of coordination of accounting standards (Choi, & Meek, 2010). For Mexico, coordination will involve a huge upsurge in the financial disclosure.
3. Diminished possession of government in economy, diminished influence of government in the remote segment and increased crucial-ness of community equity marketplaces in incline towards the strong increase in the financial disclosure.
4. Being an emerging stats or republic, Mexico is required to capture huge amounts and funds of capital for the purpose to finance their economic growth. For this purpose, they must fulfill the info needs of external financiers. So the requirement to convince and satisfy the information’s needs or necessities of overseas financiers or and lenders is a huge and strong force towards high and increased financial disclosure (Choi, & Meek, 2010).
5. In the developing accounting standards, the country (Mexico) currently looks at the International Accounting Standards Board (information from Chapter 4). Complete disclosure is highly significant and crucial code of IFRS.

**Improvements in Mexican Accounting Measurement and Disclosure Practices**

All of the factors listed in the answer 2 are fully persuasive in affecting improvements in the disclosure practices and accounting measurements of Mexico. Some crucial and particular improvements listed in the text covers flowing.

* Empowerment of the Securities Market Law consequences and repercussion for illicit acts which are against law in any way as well as fraud inside the financial bodies (institutions).
* The enhanced influence and impact of the IASB and closer arrangement of International Financial Reporting Standards (IFRS) and Mexican Generally Accepted Accounting Principles (Choi, & Meek, 2010).

**Conclusion**

After the profound analysis of the case and report, it has been found and concluded that characteristics which predict comparatively low disclosure level in Mexico are; source of finance, government involvement, legal systems, level of economic development, and level of shareholders protection. While! characteristics which predict comparatively high disclosure include but not only diminished ownership of government in the economy, diminished clout and power of government in the private sector, satisfaction of information needs of foreign investors. At last the improvements can be/are empowerment of the securities market law consequences and strict penalties for illicit activities and enhanced clout of the IASB and closer arrangement of IFRS and Mexican GAAP.

**References**

Choi, F, & Meek, G. (2010). International Accounting, 7th edition. Upper Saddle River, N. J.: Pearson Education. ISBN: 9780136111474

Wheeler, D., & Mody, A. (2002). International investment location decisions: The case of US firms. Journal of international economics, 33(1-2), 57-76.