

CLIMATE CHANGE AND CARBON CREDIT ACCOUNTING: AWARENESS AMONG ACADEMICIANS AND PROFESSIONALS

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ABSTRACT

The Kyoto Protocol was signed in 1997 by 192 countries as the international community wanted to make drastic changes in the way the environment is treated by decreasing the level of emissions. Under the Kyoto Protocol, various market-based mechanisms were developed for the reduction of greenhouse gas. This reduction in greenhouse emission is measured and carbon credits are allotted for the same in the ratio of 1 carbon credit certificate for reduction of 1 ton of carbon. Such carbon credits can be sold in the international markets to those emitters who are not able to fulfill their commitments. Thus the Kyoto Protocol has established a flexible broad-based international mechanism that provides a valuable starting point for shaping efficient climate policies in the world. It has created an entirely new product which can be traded on the exchange. When the carbon credits are earned and sold in the market the concerned companies' have to show them in their financial statements. Thus trained financial professionals are required who have adequate knowledge about the method of carbon credit accounting and the way in which it has to be disclosed in the financial statements. This study is an attempt to understand the level of awareness among the academicians and professionals about climate change and carbon credit accounting.

KEYWORDS: *Carbon Credits, Certified Emission Reductions, Clean Development Mechanism, Greenhouse Gas, Kyoto Protocol, and Carbon Credit Accounting*