only the contractual intangible that match the accounting terms of definition. That's mean each set of standards doesn't recognize and report business intangibles such as knowledge assets. According to such fact, these standards rules out knowledge assets from being recognized in the balance sheet. These standards and the underlying treatments detract from the quality of information provided in the financial statements. This because the theoretical logic of the accounting has been established in isolation of technology. However, this logic match more the requirements of machine technology rather than knowledge (Lev, 2001). Table-I presents comprehensive comparative for accounting of operations in contrast to accounting against knowledge. The differences are significant and relates to dynamic nature, recognition rules, reporting power, and theoretical objectives. Knowledge management represents an opportunity to derive accounting model to be intangible assets based with future orientation. The current accounting model is deficient and full of shortcomings in relate to knowledge. The key assumption of knowledge management is the migration of competitive advantages from tangibles to intangible assets. The physical assets are not providing a source of significant differentiation. The company's viability depends directly on the competitive quality of its knowledge assets, and the successful application of these assets in all its business activities (Holsapple, 2003). The competitive advantage of knowledge assets flows from the nature, creation, ownership, protection, and use of difficult ideas to imitate these assets. To be competitive, proactive, and dynamic, business companies must manage knowledge assets systematically. Two key characterizes has outlined the development of accounting against knowledge throughout this era. The first is that "accounting and its models has boiled to its bones and the theoretical bases of accounting are outmoded" (Stewart, 2001). The second is that "Accounting model has become something of an anachronism in knowledge management era. It is a legacy of the industrial age, and as a result, if the current situation of accounting is going to be continuing, prestige of accounting will be lost" (Drucker, 1999).

2.2.3 *The third era of accounting studies (2000s-Present)*

This era can be described as the move to find the hidden gold. It is vital to understand that throughout this era, the terms of intangibles, knowledge, and intellectual capital are usually used interchangeably in spite of the difference in the contextual content of these concepts. The terms of intangibles has been used in the accounting literature to define "an identifiable, non-monetary asset without physical substance" such as patents, trademarks, fishing licensees, and computer software. The term of identifiable means the contractual according to the accounting definition. The problem is not all the intangibles are identifiable such as internally generated good will. The term of knowledge assets has been addressed by economists to define the accumulated process resources as drivers of business success on a specific area of practice. Knowledge assets are less tangible and more depend on human cognitive and awareness (Nonaka, 1991). The term "knowledge assets" was first introduced in the Baldrige Glossary in 2003.The popular examples of knowledge assets includes process documents, guidelines, and templates. Finally, the intellectual capital has been used in the management and legal literature to refer essentially to the same thing: a non-physical claim of future benefits. The examples of intellectual assets include human resources and new organizational structures (OECD, 2008). The nature of knowledge assets is especially sensitive for number of reasons: first it's does