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**ABSTRACT
DOCTORAL THESIS**

**ANNUAL FINANCIAL STATEMENTS -
STAKEHOLDER CREDIBLE SOURCE
OF INFORMATION**

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Globalization and the increasing globalization of capital markets require the use, throughout the world, a unique language in accounting. To stimulate and economic development of each country, the world economic system must have credible and transparent accounting information.

In the current context of globalization and regionalization, accounting sphere became a stakeholder for business, both nationally and especially internationally, because the manifestation of needs placed on an upward trend, comparability and transparency of financial statements of entities, regardless of geopolitical space where they were produced.

The statute which created accounts in social life fully justify ongoing efforts to improve the procedures for construction and presentation of information in decision-making and management of economic entities.

Activity book has a remarkable contribution by its contents, which blends abstract theory with reality phenomena studied. It provides an information system correlated and verified leaving no room subjectivity and promoting rigor and accuracy in reflecting the financial and economic phenomena.

Analysis of emerging accounting instead in economics, and also its usefulness objectives through the evaluation practice, and by concluding and economic life orientation. Its role is to assess the performance achieved at a time of an enterprise to identify the factors leading to the lack of predetermined performance levels, to determine the intensity and action of these factors to explain the mechanism of their action. The goal is to eliminate the influence of adverse effect and maintain or gain favorable influence of other factors to improve enterprise performance.

The great importance of the financial statements is given by the usefulness of the information provided by them, information which often are the only ones that users have access and on which they must base their economic decisions and to justify the use of financial resources.

The information provided by the annual financial statements is a useful instrument for enterprise management as competent driving means to know the realities of economic life in which we operate, to know the pros and cons entity you drive, or this is not possible without a meaningful analysis accounting information.

It is known that the development of the economy and its performance depends on public confidence in accounting information transparency, which must be accompanied by a clear assumption of responsibility. The responsibility belongs primarily management of each entity, and professional accountants who are responsible for applying accounting rules objectively and impartially.

Given that performance management is achieved only through a relevant and timely information to decision-makers, and other users of accounting information, which is why we approached the thesis due importance to the need for knowledge and analyze situations annual financial accounting information becomes a source of credible information for interested persons to stakeholders.

The complexity of international economic relations in which goods and capital markets are expanding at a rapid pace, due process of globalization,

ignoring national borders requires accounting systems to ensure the financial statements (balance sheet, profit and loss, statement of changes in equity, cash flow statement, accounting policies and explanatory notes) accounting information comparable across countries.

We believe that the accounting information obtained under a global referral system must adapt to changes and its procedures and tools should facilitate economic decision making and risk informed so that transactions that are done to ensure achieving effects expected.

In conducting scientific approach we have considered the following fundamental **objectives**:

- to highlight the concept of quality of accounting information, the quality of its characteristics and its role in the control of financial and economic activity;
- a comparative study on national, european international and annual financial statements;
- a comparative study on the structure of the annual financial statements;
- highlight the theoretical and methodological approaches in the preparation of annual financial statements;
- analysis of the preceding stages the annual financial statements and their impact on the quality of accounting information;
- achieving a case study presentation and auditing of annual financial statements and determine the main economic and financial indicators on the example of an economic entity SC "ABC IMPEX" SA.

This paper is a theoretical presentation of accounting specific economic entities, the preparation of annual financial statements, completed by a case study from an economic entity and to comply with privacy policies, we called SC "ABC IMPEX" SA

The first chapter, entitled "**Accounting - essential source of relevant information and knowledge and control of financial and economic activity**" is dedicated to the study of accounting as the main source of supply of accounting information in decision-making raw material, making a study of the social role of accounting where the quality of accounting information is modeled by the act of accounting normalization. We emphasize on this occasion status communication language incumbent accounting was in a permanent dynamic skyrocket in communications technology development. We note here the important role of the two professional groups interested in accounting information, namely its producers and users.

Demand and supply of information is controlled and restricted by the accounting system through its normalization by the quantity and quality of accounting information, the costs of production, distribution and processing it. The accounts are designed to inform all users, internal and external, from managers to business partners and public bodies. Demand diversity in form and structure, led to the need to build and use a common language, universal

communication in the business world, made by accounting harmonization policy.

The evolution of information needs generated economic development of an information system in which accounting information is the primary element and the starting point for any analysis of economic phenomena. The quality of this information influences decisions and their outcome, whether we refer to an economic entity managers, whether we consider its investors or creditors. With this motivation, we conducted a comparative study on the quality of accounting information in the Romanian accounting system, the French and Anglo-Saxon. The study shows that Romanian accounting developments should be analyzed both in national history and according to international accounting developments. We note that the finished products accounting developed in one country are becoming more widely used in other countries and accounting internationalization pressure comes both from those who use accounting information and the national standardization bodies and regulators the accounting profession.

In this chapter we treat, the role of internal control to improve the quality of accounting information, because of its quality depends on the quality of leadership default and result in achieving the goal of each economic entity, to create profit.

In the second chapter, "The structure of the annual financial statements in national and international context", we conducted a comparative study on the regulation of the annual financial statements on national, european and international level and temporal dimensions and normalizing the europeanisation and internationalization accounting and principles which govern it.

Taking into account the role of the annual financial statements in accounting disclosure, and the importance they have in economic decision making, we considered the analysis of these summary documents a "provocation", which is why the research was focused on the accounting disclosure objectives stakeholders, to diagnose financial, economic information of interest to all recipients. Thus, we consider that the structure of these situations can retrieve summary information about the economic resources controlled by the entity, about the financial structure, liquidity and solvency of the financial position and performance achieved. Their development is important and that a means of knowledge, control and analysis of business information provided by recipients of a forecasting tool because comparative analysis of two successive exercises, allowing a projection of current activity.

We found that, over time, implementing accounting regulations compliant with European Directives and alignment to International Financial Reporting Standards, have influenced the presentation of the annual financial statements and the quality of accounting information. Accordingly, we intend to realize an analysis of the format of the annual financial statements and noticed heavy adaptation of Romanian accounting but also some gaps in the implementation of EU legislation and international regulations Romanian. Hence the idea of the need for greater involvement of specialized agencies in drafting legislation, developing existing ones, so that the

Romanian legislation to be more clear, stable and advance the interests of its users.

In the third chapter "Theoretical and methodological approaches in the development of annual financial statements" I made a trip to the methodology of the annual financial statements, with the principles of preparation of the financial statements. Ascertain the existence, both nationally and internationally, the common principles underlying the preparation of summary statements, and to the principles taken by complying with international accounting standards so that compliance in the preparation of annual financial statements leads to financial results approximately equal.

Steps prior to drafting the summary financial documents are required and results in a series of papers with the role of ensuring real information, truthful, sincere outlining the true image of the assets, liabilities, financial position and results.

In order to increase the credibility of financial information to users of the annual financial statements subject to accounting regulations harmonized with the-IV and VII of the European Communities and the International Accounting Standards, are subject to audit in accordance with national regulations on auditing financial statements. Consider action to audit the financial statements on the compliance and legality true image presentation entity heritage as a major. We express our confidence that professional auditors will express views as close to reality, so using the results communicated to the annual financial statements lead to profit-making economic decisions and economic welfare.

In the fourth chapter, "Analysis of structured information provided stakeholders" we conducted a study on the analysis of information provided by the components of the financial statements and the procedures for determining the various economic and financial indicators based on the balance sheet and the profit and loss as well as information on cash flow, and explanatory notes.

Balance sheet structure permits the analysis of rates of assets and liabilities patrimonial structure, determine the cash flow statement, financial analysis in dynamic equilibrium. Performance in a financial year by an economic entity is of great interest to stakeholders, and can be reflected by analysis of profit and loss. International financial reporting standards do specify the presentation of accounting information in the category of income and expenditure category. Can be characterized based on their business size and dynamics, calculate indicators of activity, known turnover and value added.

Findings on medium and long liquidity is achieved by analyzing the cash flow statement, statement of cash flows thus becomes part of the summaries increasingly sought by users of financial information. Similarly, the statement of changes in equity is essential as a source of information for both managers and investors in determining the dividend policy or assessing the effects of strategic investment decisions. Notes to the annual financial statements are a necessary component of the summaries that have a

substantial contribution in detailing information in a complementary way, in direct contact with each significant item in the financial statements.

Detach the conclusion that the relevance of the content and information provided annual financial statements stakeholder component analysis is resulting from the case study based on a questionnaire, that the utility level is high, you need additional information provided by managerial accounting information for forecasting and environmental business. However, we can say that the financial crisis management is an arduous journey that inattention, lack of experience and information may be causes for a road without return of the economic entity.

In the fifth chapter "**Case Study on the determination and analysis of the main economic and financial indicators SC" ABC IMPEX "SA"** I made a practical study on the presentation and auditing of the annual financial statements at SC "ABC IMPEX" SA, whose main business activity is the execution of civil and industrial construction. Based on the annual financial statements were determined main financial indicators on financial position and performance of the economic entity.

Recovery of accounting information in decision making is achieved through the management team is forced to take the right decisions in an optimal time, based on quality information. Theoretical arguments regarding the importance of accounting information for decision making and stakeholders is complemented by documentary SC "ABC IMPEX" SA entity promoted financial management decisions based on the analysis of accounting information provided, the main financial indicators, succeeding significantly improve performance, after she went through difficult times. The company has resisted the market, given the changes that have occurred internally, but also the external environment (political, technical, economic, social, the emergence of competitors, etc.). Audit of financial statements generated a report to the exclusive group associations in order to inform them of the economic and financial situation, risk assessment, crisis management adaptation strategies of liquidity, internal controls relevant to the analysis of financial statements. The latter are presented for 2012, chapters detailing information on areas of interest to managers and shareholders, and not least was done calculating activity indicators, risk, liquidity.

At the end of the paper we summarized the main conclusions and proposals, expressing views on the importance of the quality of accounting information, the role of the annual financial statements, and to the continuous improvement of accounting information provided by them for the proper management and efficient economic entities heritage. In fact, the quality of accounting information is a key to success in real economic entities.

However, we intend to highlight the fact that professionalism is a basic problem of the whole society, which manifests itself in all fields, particularly at management level, which forces us to draw a warning regarding promotion criteria positions of decision-makers, which must be some healthy, based on experience and competence so that accounting information can be constructed and interpreted properly.

The scientific approach, regarded as the dominant research work developed was done in the context of economic, financial and legal occurred nationally and internationally, very special way in the last two decades, and aimed to improve quality and impact of accounting information in the process of focusing on permanent and efficient management of economic resources, so its tools and procedures to facilitate economic decision making and risk management.

Accounting as social science model and improved in such a way as to meet the information requirements of the moment. The improvement involves change, and accounting has evolved over time, as an open system, responsive to the changing political environment, economic, social and cultural. Therefore, the idea of adopting a common language for financial reporting in order to develop international comparability of information has become a reality due to the globalization of financial markets.

Accounting is the core economic information system, providing most of the information conveyed therein, and accountants are the principal authors in providing quality information is the foundation of processing and analyzing information. About accounting talked of as a major component in ensuring the development of economic operators, stating that should be regarded as a powerful source of information, not as a means of data processing, which aims existence and movement of property items. Utility analysis of accounting information on economic transactions, as shown in the annual financial statements addressed in this paper in terms of quality, has become a significant problem for organizations accounting normalization because the accounting information is done both managerial decisions and communication management of those entities with external users.

Although the world is recognized that modern developments emphasized the social purpose of accounting, but if we look at it as a tool for representation of the economic reality of the entity, we find that it has become a challenge for the various protagonists of accounting information, namely: manufacturers and users normalized, each pursuing their own interests, which is why we consider that the accounting information, the final product provided accounting can only be the result of a compromise between the requirements and expectations.

Thus, while management believes the accounting entity and thus accounting information as management tools available to the manager, shareholders want to know the viability and profitability of investments made, banks will assess if property maintenance and development unit, its profitability and the possibility recovery of amounts borrowed, the state wants to know the amount of taxes that the company owes creditors want to know whether short-term solvency and liquidity of the entity to pursue the work without risk related to debt collection . To meet the needs of different categories of users, the accounting information contained in the annual financial statements must meet certain quality characteristics, attributes that determine its usefulness, namely: understandability, relevance, reliability and comparability features arising from the objectives of financial information. Looking from this perspective, the imposition of qualitative characteristics of accounting information, even if they are ranked, is a necessary, but not sufficient, to have the guarantee of quality information because we believe it is

necessary for users to have a certain level of education, enabling proper assessment of the information contained in the annual financial statements and therefore quality.

Consequently, a decision requires, among other things, a proper manufacturing process and analyze relevant information and high quality of the decision is the result of good interpretation of informational elements, in conjunction with the appropriate level of training of decision makers and the appropriate use of information processing methods.

Although data, information and knowledge provided by accounting not only that of a particular unit heritage, they are an essential element analysis and appreciation of the situation that entity, so that the accounting is considered for management, core information system.

In conclusion, the main purpose of accounting information system is to provide each user, depending on the responsibilities and tasks , all necessary information, representing both an interface between the operating system and the management of the entity, and an element link between internal and external environment it.

The qualitative approach of accounting information from the perspective of internal control is complex. Outside the key success factors present, there are other requirements that favor the implementation of an internal control device to perform, including the component accounting. An effective internal control device should comply with fair information needs of a number of beneficiaries (shareholders, directors, employees, etc.). Meanwhile, the core of this device is a significant number of "actors", each having a role.

We believe that the analysis presented in this perspective still offers a wide field of theoretical investigation, increasing the role of internal control in accounting information quality, desire manifested more and more lately by internal or external users.

We believe that an important role in the adoption of a single language internationally, we have the International Financial Reporting Standards. There is need to develop a unique language for transmitting information via a normalization-accounting harmonization, convergence, global accounting standards, thereby reducing the differences between the two accounting systems, such as those issued by the IFRS and U.S. GAAP.

Therefore it is necessary to develop a conceptual framework to limit underestimation or overestimation of the financial result according to the interests pursued. All legal and financial mechanisms, and all possibilities to annihilate 'engineering' should be reflected in financial accounting rules so that the procedures are clear and concise, and the accountant does not need to resort to personal judgment in the absence of well-defined rules . Therefore, accounting information, as a product of annual financial statements, making them an indispensable tool for communicating the economic and financial situation of an entity by stakeholders.