

THE ROLE OF FINANCIAL-ACCOUNTING INFORMATION IN THE SUSTAINABLE DEVELOPMENT OF THE COMPANY

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Abstract: Accounting information is the essential element in the knowledge process and is in constant motion, addressing to an audience with diverse interests. Thus, the right decisions in accordance with the reality of the business environment will be taken by the persons concerned in accordance with the quality accounting information gathered from the financial statements. The sustainable development of a company is conditioned by a multitude of important factors, which must be discovered both inside and outside it. From these, financial and accounting information is one of the most important. This is due to the fact that the sustainable development of the company cannot be achieved without proper management and a clear strategy based on appropriate economic information. The research methodology is based on the study of documentary materials from an extensive range of publications and from the experience of the authors. The article aims to demonstrate the role of accounting information in the sustainable development of the company. The conclusion is that financial-accounting information represents the basic element in establishing economic decisions within a company.

Keywords: accounting information, sustainable development, company

INTRODUCTION

The numerous information that individualizes and divides the elements that define the financial performance of enterprises, the contradictory trend between theories, but also the value of information created by accounting for the decision process were reasons to address the subject of this paper.

Today's society being considered a knowledge society, of the informational type appreciates that the quality, operative and opportune information constitutes the power factor, a "resource of resources". Company managers, boards of directors, suppliers and customers of the company, etc. they are both the beneficiaries and the users of the information created by the companies and can use them, judiciously and rationally, for the elaboration and substantiation of the decisions [1,2,12,16].

Dynamic, wide, but also profound transformations from the sectors of economic and social life are reflected in changing economic structures, in ordering the component branches in accordance with the requirements of scientific and technical progress, with rational use of resource potential and increasing efficiency, with the need to improve quality of life.

It is considered that accounting as a language of business must take into account the evolutions from economic fields, and the promotion of concepts and notions recognized by all clearly proves its usefulness. The management of a business can sometimes face with difficult problems, such as: economic and financial ones, which are common in any business and require a set of accounting principles that are not similar to those of nature from physics and chemistry.

In order to achieve the strategic objectives of managers, accounting contributes by providing the necessary information for control, determining liability and effects, which allows the identification of internal reserves, costly expenses and losses. The information can be considered a "mass consumer good", being used by a multitude of users: small and medium enterprises, listed companies, investors, state, etc. The meaning of the term

implies knowledge, in general, respectively the appearance of a new element, unknown until now, on the surrounding reality [7,8].

The development of modern society involves the continuous improvement of economic and financial information that must be created so as to meet the requirements of management to substantiate the decisions and information needs of the company's partners. Today, information, and especially economic information present in all areas of activity, is the indispensable element of progress. With the development of the market economy and its increasing complexity, information must develop as an area, content and efficiency in order to: to provide the exact elements necessary for decision making; to provide the exact patrimonial situation of the enterprises; to provide the results of the economic-financial activity.

The purpose of accounting is to make its information and methods a means of guidance, a "dashboard", an advisor for setting the conditions in which the company operates internally, as well as in a macroeconomic context. The information provided by accounting is the most important source, the "database" of managers in the decision-making process. In other words, accounting is indispensable in the management activity of the company, regardless of its object of activity. The accounting information creates to the management of the companies, regardless of their activity, the possibility to choose optimal programs and to fix certain lines of economic policy. There is also the tendency of accounting information to become more operational due to the automation of management calculations, computers, reducing data processing time [1,3].

MATERIALS AND METHODS

The research is based on studies published in the literature, especially on information taken from various economic entities, and not only. The authors of the article relied on an approach correlated with the aspects of financial-accounting information with those regarding managerial decisions and financial decisions.

Research methods are a combination of methods used to conduct descriptive research, basing theoretical and conceptual aspects of accounting based on the provision of information, ways to use accounting information and usefulness in decision making that contributes to improving company performances.

The information sources used to write this article include: national and international literature; specialized articles; legislative acts; regulations of national and international professional bodies; studies and research.

RESEARCH RESULTS

In the following we will observe and analyze certain aspects considered essential in terms of defining information in general and characterizing the one of an accounting nature.

Accounting being a science that has a theoretical and applied character, it emerged from the practical necessity of material production and was perfected simultaneously with the forces of production, with the division of labor and with exchange. Thus, accounting is strongly linked to economic processes and production relations, which change at various times of the company's development, currently focusing on a sustainable development of the entire business sectors [1,2].

Being a practical activity, whose knowledge was obtained empirically, accounting has become a scientific discipline which provides effective data and information for creating strategies in the decision-making process, but also at all levels. Specialists in the field of accounting believe that this is also the argument for which it was useful for

accounting practices to have an accounting theory and a conceptual basis, in which research plays a key role.

The evolution of accounting and the development of the supply of accounting information has been linked to theorists and practitioners in the field, by the increasing demand for products created by it, from users whose information needs are dependent on the environment in which they operate, economic, political, legal, social and cultural.

For the beginning, we will clarify some aspects regarding information in general and economic information in particular, after which we will present the accounting information and the role it has in the sustainable development of the company.

It should be noted that a debate is needed on the terms of data and information, which are often confused in practice. Data are represented by signs, words, figures that present or project various facts and situations, forming the raw material that underlies the information. The information is created following a complex process, being the result of it, and through which data are given the significance of the state of a phenomenon or event, object, within formal processing procedures [9].

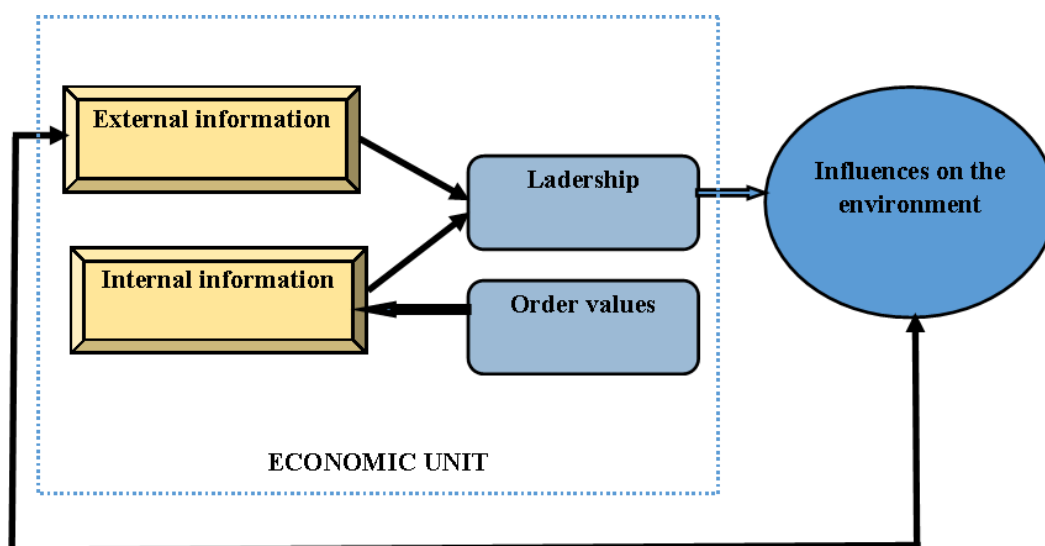


Figure 1. The link between information and the management process

Popescu defines information as being "a news or message about facts and events of any kind, which must be understood, used and transmitted to facilitate the achievement of the quantified goal" [10].

The information in the economic activity links the objectives proposed by the enterprise which shows what, and in what conditions the production is executed, the work or the service is performed, and the obtained results reveal the degree and fulfillment of the proposed goals.

Numerous scientists have studied the theory of information applied in the field of economics, being called scientific information. According to Drucker, "today science is more important to the well-being of nations than capital or labor" [4].

The performance of actions in correlation with the tasks and anticipated values are largely determined by the quality of the information, the speed of processing and the possibility of changes in the decision. The connection between the economic information and the management act is presented in Figure 1. In order to fulfill its role in the management process, respectively the substantiation and the formulation of the decisions, the economic information has the qualities present in Figure 2.

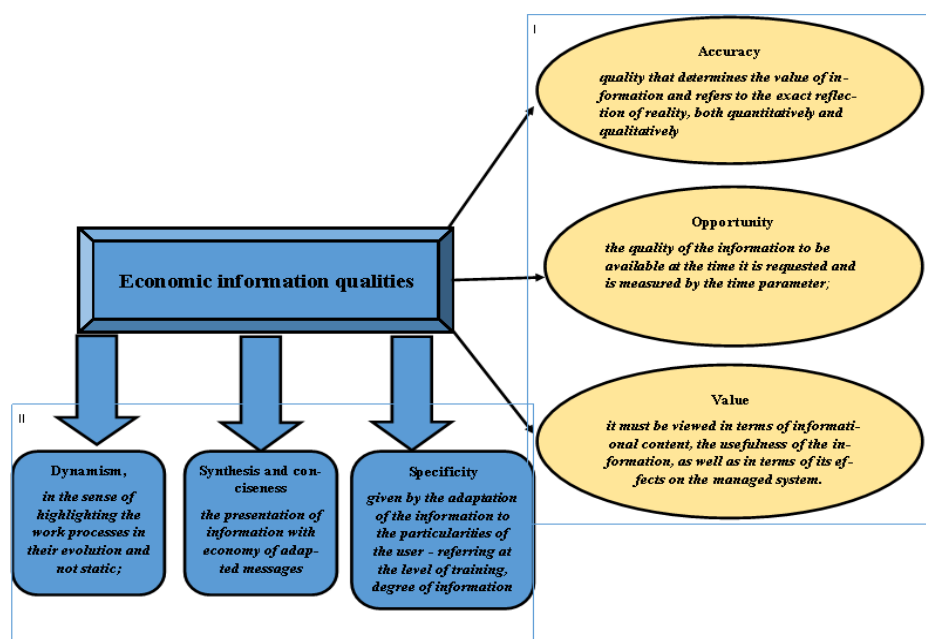


Figure 2. Economic information qualities

Source: own processing of the authors

Verboncu and Popa add other qualitative attributes of the information that we consider relevant presented in the second quadrant of Figure 2, namely dynamism, synthesis and specificity [13]. The essential data source of the economic information system is accounting, considered its basic component, a fundamental tool for knowledge, management and control of assets and for calculating the results obtained by companies. The area of information provided by accounting is wide, appearing as specific, particular information, obtained through interpretation, processing and accounting logic of changes in values caused by productive activities.

Feleagă and Ionașcu, I. in the Financial Accounting Treaty consider that “Accounting, is the main source of information at the enterprise level” [5]. According to Roy, accounting has indisputable qualities that amplify its efficiency in modern management [11]. Accounting information is not an end in itself, but the means, the method of creating economic and financial data that must be useful for the general and financial management of the economic entity.

The management of economic activities becomes competitive when well-argued decisions are made, formulated after careful study of all phenomena and processes, whether technical, economic, organizational and the effects generated, as well as knowledge of the causes that determined them.

Management, analytical or managerial accounting, according to the legislative provisions, includes a system of methods, tools for collecting information useful for recording in the accounts of economic and financial transactions characteristic of the production and sales activity, which aims to obtain information necessary to calculate costs in order to support the decisions taking into account the efficiency and usefulness of the factors involved [14].

In Figure 3 we have presented the connection between the accounting objectives, decisions and actions. According to the conceptual framework for financial reporting, "the financial purpose of reporting, in general, is to provide financial information about the entity's reporting that will be useful to existing and potential investors, debtors and other creditors in their decisions to provide resources to the entity ..., to help assess the prospects of net cash inflows for an entity” [15].

OBJECTIVES OF MANAGEMENT ACCOUNTING	DECISIONS AND ACTIONS
Knowledge of costs -functions -products, works, services -Sectors of activity	<i>Current decisions</i> <i>Forming a traditional basis for decisions</i>
Evaluation of certain items in the balance sheet -Inventories -Some fixed assets - -Immobilized production	<i>Decisions at certain intervals</i> <i>Ensuring a true and fair view of accounting</i>
Explanation of results -on functions -on products -by sectors of activity	<i>Decisions on setting priorities</i> <i>Establishing responsibilities</i>
Establishing forecasts -on functions -on products, works, services -by sectors of activity	<i>Evaluation of objectives</i>
Differential calculus -on costs -on turnover -on volume -by yield	<i>Decisions to take corrective action</i>

Figure 3. Accounting objectives-decisions-actions link

Source: Keiser A.M., 1994 [6]

An essential aspect related to the provision of accounting information is that the information provided to users by economic entities, and which helps them to make relevant decisions, is not always produced by it, but may be the result of the activity of companies providing accounting services. In other words, accounting information is and must be the product of professional accountants, employees of the company or a specialized accounting firm or freelancers.

We can appreciate that the current accounting system of economic entities provides the necessary information for the management process, as well as in the relations of each of them with users (third parties, shareholders or associates, suppliers, customers, state budget and social insurance budget, banks, etc.). It has been improved and has been permanently adapted to the changes produced in the development of economic and financial activities in the national economy and the achievement of the objective of complying with the relevant directives of the European Economic Community.

CONCLUSIONS

It is known that there is a continuous demand for accounting information at the level of each company, managed with the help of the information system.

Accounting information becomes an essential component of economic information, a fundamental component of the accounting information system.

The data regarding the existence, movement and transformation of the patrimonial elements, the obtained result, are transformed into accounting information, following the processing, if they have novelty character and can be useful for the presentation of activities carried out by the enterprise from which they were obtained.

Accounting information is considered the basis for calculating indicators for all economic and financial transactions and operations and guarantees security for formulating viable forecasts.

We can consider that in the future, accounting information will be the essential component of the economic information system within each company because "each of the stakeholders in the business uses accounting information, because it is the only source that can provide the image of its activity and situation, leaving from cash flows and masses, which for a period of time interested her."

Accounting must support the achievement of three major objectives: achieving an accurate and correct diagnosis of the company; identifying ways to quickly highlight emerging shortcomings; supporting managers to choose optimal solutions.

In our opinion, these objectives can be achieved only if quality accounting information is used, the product of professionals from the field of accounting.

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