

## STUDY ON THE ROLE OF THE FINANCIAL STATEMENTS INFORMATION FOR THE USERS

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**Abstract:** *Although, over time, in the Romanian accounting system there were numerous trends of flexibility and adjustment to the various users categories' demands, at the financial statements' level is still present the continental, French accounting system's rigidity. The present article aims researching the various users' demands in relation with the financial statements information. Being based on the questionnaire method, the material is intended to be a market study, having as purpose the "accreditation" of the financial statements information. The study is based on a representative sample that consists in various accounting information "consumers".*

**Key words:** *financial statements, accounting information, users, informational necessities, sample.*

### INTRODUCTION

In nowadays conditions, in the context of an extremely volatile economic and social environment, it is quite necessary for any economic entity to administer its fortune more efficiently and effectively in order to get over obstacles and to fully fulfil its lucrative target.

Accounting has a capital role concerning this, as a theory, a technique, a stake and a social game. However, it has a rigid and, in the same time, static character, limiting itself at offering an „accurate image”, a „freeze frame” of the financial and economic situation of the entity, without offering solutions and without involving itself in the decisional process. By these features, it becomes a necessary, but not sufficient condition in order to optimize the entity's performances.

It is necessary to use another dynamic, flexible, adaptable instrument that is able to „juggle” with the fortune elements in order to optimize the results, and this instrument is the financial management. Its absence from many Romanian and not only entities' activity lead to grave financial problems, even to bankruptcy. Thus, it becomes a sine qua non item for any entity's activity in order to maximize its profit.

The present article aims to cover the „rift” between accounting and financial management, in a manner which is not meant to be exhaustive, for sure. It is very important to „credibilize” the accounting information in a financial context and to make the financial managers fully aware that they are using the accounting information, as a base. This target is intended to be achieved by valorising their opinions regarding various aspects of the accounting information.

### MATERIALS AND METHODS

**The questionnaire method and its target.** In order to elaborate the present article, there is used a simple questionnaire applied to a representative sample of 100 financial managers. The content of questions refers to accounting information's role for their activity.

The questionnaire is based on 5 suggestive questions, namely:

1. How often do you use in your activity accounting information?

	At all	Sporadically	Weekly	Daily	For many times a day
Primary					
Secondary					
Tertiary					

2. Which is the average period of direct communication with the accounting specialist during a day?

I do not communicate with the accounting specialist	Under 15 minutes	Between 15 minutes and 1 hour	More than 1 hour
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3. In what percentage do you think is found the accounting information in your activity?

0%-25%	25%-50%	50%-75%	75%-100%
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4. In what measure do you consider that accounting data supports from the Romanian accounting system is useful for the various informational demands of financial managers?

In a very small measure	In a small measure	In a medium measure	In a large measure	In a very large measure
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5. Mark on a scale from 1 to 5 (1 - very little, 5 - very much) the fulfillment of the following features of the accounting information provided by the Romanian accounting system.

	1	2	3	4	5
Diversity					
Relevance					
Availability					

**The main objectives for this study are:**

- Identifying the weaknesses of the accounting information from the financial managers' point of view;
- Harmonizing the provided accounting information to the financial managers' informational demand;
- Suggesting certain improvements in order to cover the "rift" created between the accounting specialists and the financial managers.

**RESEARCH RESULTS**

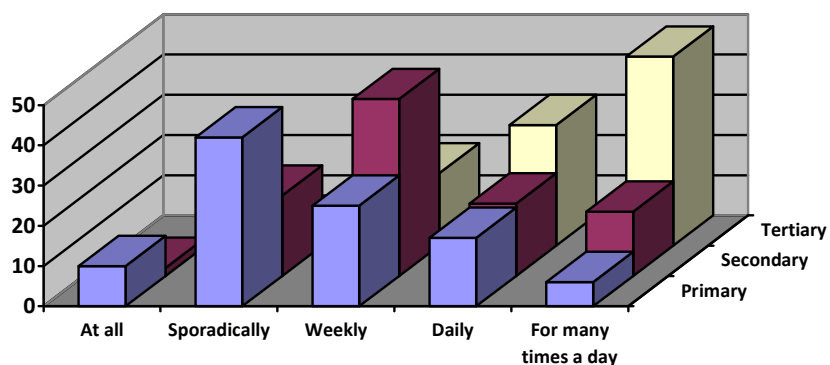
This section aims to valorize the answers provided by the financial managers to the questionnaire.

The results for Question 1 "How often do you use in your activity accounting information?" are the following:

**Table 1**

**Results for Question 1**

	At all	Sporadically	Weekly	Daily	For many times a day
Primary	10	42	25	17	6
Secondary	2	20	44	18	16
Tertiary		5	18	30	47



**Fig. 1: Main trends of the answers to Question 1**

Analyzing, the answers to this question, we can notice the preference of the financial managers for the tertiary level of accounting (financial statements).

They prefer less the secondary level of accounting (accounting registers) and they use less the primary accounting level (operative records). Thus, 47 (47%) respondents use the information from the financial statements for many times a day, while only 16 (16%) respondents consider the accounting registers useful for many times a day. In the same time, only 6 (6%) respondents use the primary level of accounting in their activity for many times a day. The conclusion is that the utility and the degree of synthesis of the accounting information are directly proportional.

Medium values indicate the fact that the accounting information is used weekly, the primary one by 25 (25%) respondents, the secondary one by 44 (44%) respondents and, finally, the tertiary one by 18 (18%) respondents.

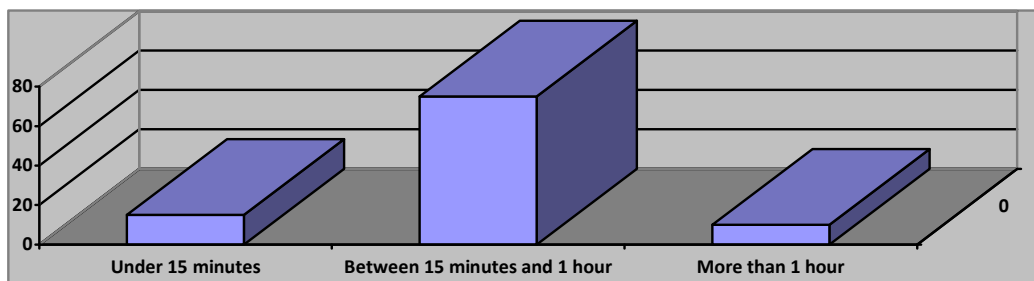
Very low or null values correspond to an inutility of the accounting information for the financial management activity. Thus, 10 financial managers never use the primary accounting information in their activity, 2 financial managers never use secondary accounting information in their activity, but none of them says that don't use at all the financial statements information in their activity.

The results for Question 2 "Which is the average period of direct communication with the accounting specialist during a day?" are the following:

**Table 2**

**Results for Question 2**

I do not communicate with the accounting specialist	Under 15 minutes	Between 15 minutes and 1 hour	More than 1 hour
	15	75	10



**Fig. 2: Main trends of the answers to Question 2**

The question emphasizes the communication process between the accounting specialists and the financial managers.

As we can notice, the communication exists, but it could be improved. Most of the respondents (75 respondents, 75%) communicate with the accounting specialists between 15 minutes and 1 hour a day.

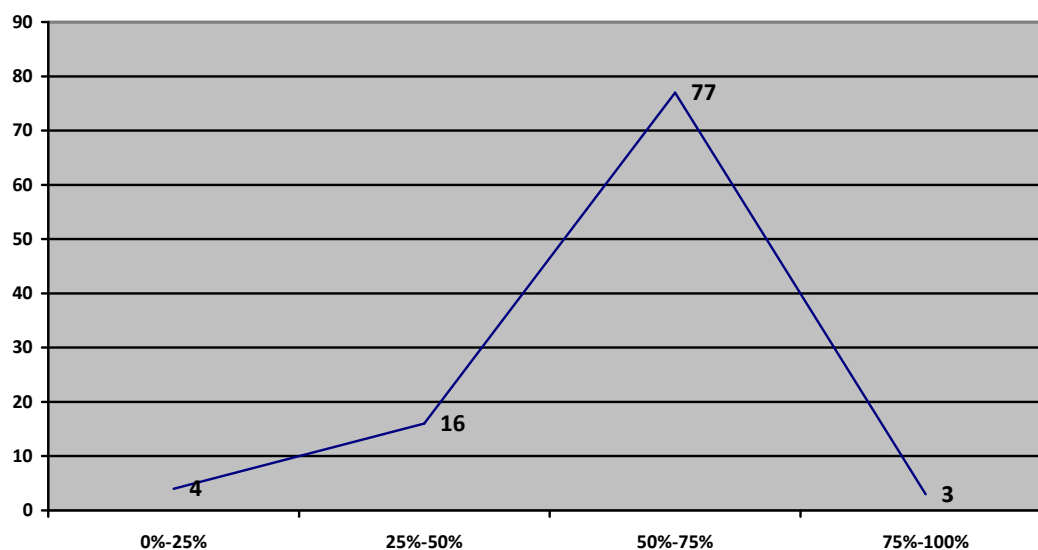
We consider optimal the permanent presence of such a communication taking into consideration the fact that the accounting activity and the financial management activity are directly and permanently related.

The results for Question 3 “In what percentage do you think is found the accounting information in your activity?” are the following:

**Table 3**

**Results for Question 3**

0%-25%	25%-50%	50%-75%	75%-100%
4	16	77	3



**Fig. 3: Main trends of the answers to Question 3**

As we can notice from the table of answers and from the graphic trend, financial managers realize the fact that they are using financial information in their activity and this represents a positive aspect.

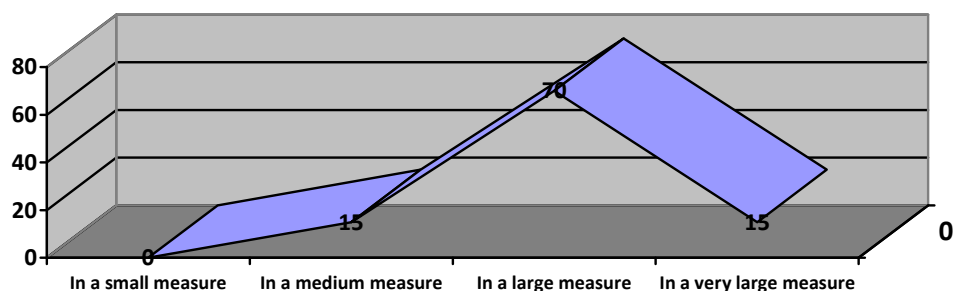
Most of them consider that they use accounting information in their activity in a percentage included in an interval of 50% and 75%. However, in reality, in most of the situations, the accounting information is used in the financial management area in a percentage situated over 75%.

The results for Question 4 “In what measure do you consider that accounting data supports from the Romanian accounting system is useful for the various informational demands of financial managers?” are the following:

**Table 4**

**Results for Question 4**

In a very small measure	In a small measure	In a medium measure	In a large measure	In a very large measure
		15	70	15



**Fig. 4: Main trends of the answers to Question 4**

As we can see from the table and from the graphic distribution, most of the financial managers (70 respondents, a percentage of 70%) consider that accounting data supports from the Romanian accounting system correspond in a large measure to the various informational demands of their activity.

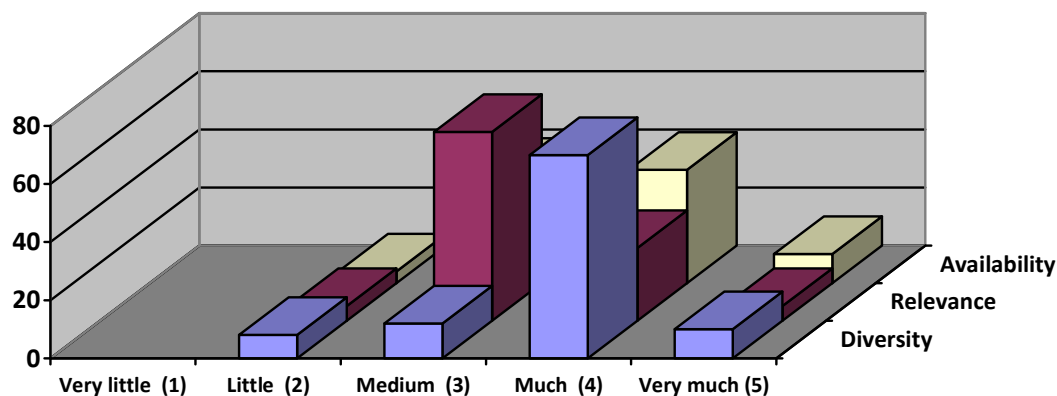
However, there is still enough space for an improvement.

The results for Question 5 “Mark on a scale from 1 to 5 (1 - very little, 5 - very much) the fulfillment of the following features of the accounting information provided by the Romanian accounting system” are the following:

**Table 5**

**Results for Question 5**

	Very little (1)	Little (2)	Medium (3)	Much (4)	Very much (5)
Diversity		8	12	70	10
Relevance		5	65	25	5
Availability		4	37	39	10



**Fig. 5: Main trends of the answers to Question 5**

Question 5 refers to the diversity, relevance and availability of the accounting information for the financial managers.

Thus, most of them (70 respondents, 70%) consider that the diversity deserves a “4” on a scale from 1 to 5. There is enough space for an improvement. In the same time, 65 respondents (65%) consider that the relevance of the accounting information deserves a “medium” appreciation (3). So, this aspect could also be substantially improved, too. Finally, 37 respondents and 39 respondents consider that the accounting information has a medium and big availability for the financial management demands.

## CONCLUSIONS

Taking into consideration, the results obtained from the questionnaire centralization, we could formulate several conclusions, having also a character of proposals for improvement:

- Elaborating the tertiary accounting information papers (financial statements) monthly, considering their static character and their increased utility for the financial management informational demands;
- Improving the communication between the accounting specialists and the financial managers, giving to it a continuing basis;
- Searching methods in order to make the financial managers realize that more of 75% from the information they use is accounting information;
- Formulating solutions in order to adapt the accounting data supports from the Romanian accounting system to the financial management informational demands in a percentage approaching to 100%;
- Diversifying the accounting data supports, especially the financial statements, in order to fulfill the various informational demands of the financial management (e.g. elaborating a social balance sheet, an ecological balance sheet, an income statement for each department of the entity etc.)

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