THE IMPORTANCE OF ACCOUNTING IN NATIONAL ECONOMY

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Abstract
Information provided by annual financial statements is a useful instrument for enterprise management as responsible driving means to know the realities of economic activity, to know the pros and cons entity you run, or this is not possible without a pertinent analysis accounting information.

The least expensive and most common method of financial communication is the financial statements, in fact, is the core accounting summaries. In most cases, users seek information from financial statements to assess the profitability of the company in general and its illiquidity risk.

Keywords: accounting information, national economy, national interest, economic entity, economic efficiency, management, economic profit.

JEL Classification: M21, M41.

1. Introduction

The continuing evolution of accounting imposed as a model for the description and modeling of an economic entity, becoming the most important system information and assistance in the issue of efficient economic decisions.

Accounting has a privileged status accounting information market, given the dual role it plays in its quality of legal representative of the entity, that of producing accounting information and main user of accounting information (being responsible for the preparation and publication of financial statements).

The role and importance of accounting are strongly influenced by accounting professionals understand how to practice, but not all the burden recognition value accounting practitioners should be left to professionals, but they share the task of dealing with the issues of regulation and normalization of both accounting and profession.

2. Research methodology

Research methodology used in this work harmoniously combined in a quantitative research with qualitative research, analyzing, while romanian authors contributions in increasing the role of accounting information for the development of national economy.

3. The need for accounting information

The current global economy is characterized by a complex process of globalization, which causes heightened sensitivity and instability of markets and the business environment in general, currently manifested by a profound economic and financial crisis. As a result, many business entities are in difficulty, faced especially with the economic downturn, with the sharp drop in demand, with financial bottlenecks in the chain, with increasing cost of credit, and not least to exchange rate fluctuations. In this regard, the substantial changes in the macroeconomic management, but also within each economic entity in part, that can be supported by accounting foreground.

The statute that created accounts and social life fully justifies efforts for continuous improvement construction procedures and disclosure in decision-making and management of economic entities.

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

The importance of communication management increased as companies have expanded their borders and the increasing globalization of capital markets worldwide impose a single accounting language, which is achieved through standardization, harmonization and compliance.

The annual financial statements as a leading provider of information, is an accounting tool necessary both for managerial decisions on the allocation, financing, use and recovery of funds, organizing control over the
implementation of decisions and to establish rights and obligations of responsibility and challenge arising in the management and development of heritage. Fundamental condition to be fulfilled is the annual financial statements reflect reality on the assets and liabilities existing at the disposal of the economic entity. Business management necessarily include enterprise resource planning, economic management and financial management in particular, as well as decisions on procurement and allocation of resources, both human and material resources and financial services and information.

4. Accounting information requirements

Development of the economy and its performance depends on public confidence in the accounting information transparency, to be accompanied by a clear assumption of responsibility.

Information transparency requirements must be provided by financial statements components and the assembly of the information to be disclosed in the notes so that, based on these financial and non-financial, accounting information users to know the real situation of the position and performance of the entities they have interests.

Responsibility is manifested on four levels:
- Responsibility for leading economic entity,
- Responsibility for professional accountants,
- Responsible investors,
- Responsibility of auditors.

The complexity of international economic relations, in which goods and capital markets are expanding at a rapid pace, amid globalization process, ignoring national borders, requires that 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 between 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 are performed to ensure obtaining effects expected. 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.

Given the fact that the information society is a higher quality of life, a new stage in the evolution of human civilization, which involves intensive use of information in all spheres of human existence and activity, with major economic and social impact, aim to work noastreeste emphasize the importance of accounting information in the communication process, to highlight the financial statements as a central element of financial reporting, accounting for the main mode of communication both internal users of accounting information and by those outside entity. The quality of this information influences decisions and their outcome, whether we refer to an economic entity managers, whether we consider investors or creditors.

Accounting information, the raw material in decision making are key to economic development entity, information quality has a significant role in managerial decision making, helping to fulfill the main objective of management, namely the continuation of the entity. Accounting information is used in all spheres of activity and is at the same time, an indispensable element of progress. There are opinions that the „information in the general sense, is a story, a novel, a message comes in every field of knowledge, this concept expressing a written formula capable, to make an acquaintance. Accounting information can be considered a mass commodity being used by a lot of users: small and medium-size, listed companies, investors, state etc”.

We believe that current developments of modern society require continuous improvement of economic and financial information. It must be so constructed that it meets the requirements for management decision making and information needs of enterprise partners.

Also consider useful to put into question the relationship between the two categories, accounting and internal control information. People who are part of the management must be informed of any deficiencies in internal control that might affect the quality of accounting information. Questionable accounting information quality can harm the other elements that make up the internal control.

The qualitative approach to accounting information in terms of internal control is complex. There are such requirements that favor the implementation of an internal control device to perform, including in terms of component accounting. An effective internal control device should comply with the need for correct information of a number of beneficiaries (shareholders, directors, employees, etc.). At the same time, the heart of this device is a large number of “actors”, each having an important role.

The quality of accounting information depends largely on how the exercise of internal control in an enterprise, on the development of information in compliance with applicable law, the reliability of financial information, prevention and control of financial risks etc. The information gathered from the annual financial statements must be submitted within a reasonable time to enable the swift knowledge management has reality in order to make permanent the best decisions to ensure its health. Thus, given its importance, financial control system can be considered as an
indispensable tool for ongoing supervision of business management firm, in order to take the time necessary decisions on each function, but also on the whole economic unit.

We believe that a particular importance in internal control, risk assessment has, by analyzing accounting information, namely: compliance with legislation, reliability of financial information, prevention and risk control etc.

The managers attempt to create an optimal run entity in the eyes of investors, employees, or even market within which the shareholders, they make public financial statements favorable results in an artificially by applying the techniques by accountants (immoral in the opinion of specialists and creative, in our opinion) at the boundaries of legality. Thus, it forms a trade information produced by accountants who turns into “luxury retailers”. Therefore, the opposite of a quality accounting information is information working in the creative accounting, considered it a tool for modeling techniques which are within the borders of legality or according to some experts, in many cases exceed the imposed boundary legal norms. Through creative accounting attempting image optimization entity, being at the limit of legality by cosmetics fraud and annual financial statements, through policies and accounting.

The credibility of the information provided by the annual financial statements is provided and certified by financial audit, representing the work performed by auditors to express an opinion on the financial statements or their components. Auditing the annual financial statements is not necessarily a truth-seeking action accounting objective but improves the credibility of annual financial statements of information provided by stakeholders.

In our opinion, the role of auditing the annual financial statements of particular importance in the hope that professional judgment and professional financial auditors will be used so that unqualified endorsement expressed by the auditor on the quality of economic and financial information contained in the financial statements to credible to stakeholders, users. The information used will be the basis of decisions taken by investors.

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.

Consequently, decision making, inter alia, a process corresponding processing and analysis of relevant information, and the high quality of decision is the result of good interpretation of the information elements in conjunction with the appropriate level of training of decision makers and appropriate use of methods of information processing.

5. Conclusions

We believe that the accounting information, full of content, underlying economic rationale for each decision taken at micro and macro-economic and accounting information quality affects the quality and the earnings management decisions in the process. Practically, the accounting information is not always enlightening, clear and concise, its quality is doubtful, on the other hand, might sometimes training of those who interpret it desirable to leave, which can sometimes lead to inefficient decisions in the process leading to economic entity and hence the reporting of data that do not reflect reality just that centralized national distort economic reality of financial decision making at this level that have no real support, the effect being to financial bottlenecks that entail economic and social disaster.

We conclude that performance management is achieved only through relevant and timely information to decision-makers, and other users of accounting information, which is why in this paper we addressed the necessity of giving due importance to knowledge and analysis of accounting information it can thus become a credible source for interested persons to stakeholders, with a particular role in developing the national economy and thus to promote the national interest.

ACKNOWLEDGEMENT

This paper has been financially supported within the project entitled “Horizon 2020 -Doctoral and Postdoctoral Studies: Promoting the National Interest through Excellence, Competitiveness and Responsibility in the Field of Romanian Fundamental and Applied Scientific Research”, contract number POSDRU/159/1.5/S/140106. This project is co-financed by European Social Fund through Sectoral Operational Programme for Human Resources Development 2007-2013. Investing in people!

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