

**PERFORMANCE MEASUREMENT OF AN ENTITY
FROM THE PERSPECTIVE OF FINANCIAL STATEMENTS**

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ABSTRACT

Financial statements constitute the support information to conduct financial analysis focused towards formulating a financial diagnosis. Different categories of users apply financial information and other information provided by accounting, statistical and operational entity, to diagnose their work, and on this basis to be able to substantiate the economic and financial decisions. Each economic entity is required to prepare annual financial statements, which must include: balance sheet; profit and loss account; statement of changes in equity; cash flows; notes to the annual financial statements.

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1. OBJECTIVE OF FINANCIAL STATEMENTS

Financial statements present the financial results of an economic entity according to information categorized by economic characteristics known as "*structures of financial statements*" that are directly related to the measurement of financial position (assets, liabilities and equity) and performance (revenue and expenditure).

Financial statements provide information relating to: *the company's financial position; its performance; cash flows*. This information becomes useful for various users in decision making relating to: *purchase or sale of shareholdings in the company concerned; assignment or replacement of individuals in governing bodies*.

Application of *fair value* in accounting appears to allow preparation of financial statements that give better information to third parties on the performance of current and future requirements, and therefore the opportunity to substantiate their decisions. *Such an assertion makes us ask the question of the relationship between accounting results in the broad sense of the term and the exchange value of the entity*. On the background of the exponential growth of financial markets, some experts ask themselves the following question: *Is recognizing balance sheets and past results likely to generate information on*

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*the evolution of future results?*¹ The authors examine the link between *the accounting result and the stock market* and are interested in accounting valuations. Edwards-Bell-Ohlson model provides a framework for appropriate reflection to the extent that the value of a company depends on its book value and updated abnormal results. However, a question remains: *Why some companies are negotiated at prices higher (or lower) to book value?*

Despite criticism, the financial information contains all the richest information, made available to investors. The developments of facilitated financial theory provide a framework enabling the analysis of the importance of his contribution to markets. Academic research has been stimulated by two major contributions in accounting: *efficient markets hypothesis, formulated by E.Fama and equilibrium model of financial assets (Capital Asset Pricing Model: CAPM) developed by Sharpe Lintner in 1965 and 1964*. By providing a valuation model of efficiency, researchers were able to measure reaction rates and highlight abnormal returns, at various announcements. Feltham-Ohlson model suggested by Gerard Desmulliers and Michel Levasseur and Philippe Dessertine developed in 2001, can be considered a kind of fulfilment of implications of research evaluation in the fair value estimation performance. Through it the action depends on the value of equity, of a multiple of abnormal operating profits, on the adjustment involved on the application of the precautionary principle and the effect of other information. Model validation is achieved through a number of studies, showing interest in traditional financial statements, which are not a priori to judgment interest and eventual superiority of the financial statements evaluated in whole or in part, in fair value.

Annual financial statements must give a true and fair view of the financial position, performance, changes in equity and cash flows of the entity for the financial year. They must satisfy the common needs of users. However, experts in accounting found that they do not provide all the information that users need regarding decisions, because "*to a great extent*" financial statements reveal past effects and do not typically provide nonfinancial information. Also, based on financial statements, the results of the management administration can be evaluated, including how to manage the resources entrusted to managers. Those users who wish to evaluate the administration of the entity or manager's responsibility proceed to establish economic decisions that focus on either option "*to keep or sell*" in that entity or to replace or reconfirm its leadership.

At the same time, the financial statements represent the support information needed to conduct financial analysis focused towards formulating a financial diagnosis. Different categories of users apply financial information and other information provided by accounting, statistical and operational entity, to diagnose its work, and on this basis is able to substantiate the economic and financial decisions.

The multitude of economic consequences of providing information through synthetic documents (distribution of wealth among individuals, the aggregate level of risk and its allocation among individuals, allocation of resources between companies, the resources used for the production, certification, disclosure, analysis and interpretation of

¹ Nihat Aktas, Eric de Bodt, Michel Levasseur et al., *The Emerging Role of the European Commission in Merger and Acquisition Monitoring: The Boeing-McDonnell Douglas Case*, (2001), pages 447-480, *European Financial Management* 7 (4).

information etc.) lead to the need to choose the pattern of synthetic documents.¹ On what is considered an optimal set of synthetic documents there is no agreement, it is accepted only the fact that the disclosure policy through synthetic documents is the result of combined action of accounting normalization and such factors as: *size of the entity, number of shareholders, stock market listing, the performance of the costs associated with the disclosure of information.* We believe that the action of these factors, dependent on the characteristics of the economic, political, legal and cultural environment, influence managerial decision of compilation and publication of synthetic documents. As a result, between financial statements prepared in different countries there may be significant differences concerning not only the form and content, but also the objectives assigned to them. To perform adequately, their respective objectives, synthetic documents must be well structured, readable, concise and creative, because only so can play an important role in the decisions of the various groups: based on them the financial analyst will try to forecast profits, the investor will want to choose an investment a banker will study a loan application etc. Therefore, *the most direct relationship between the entity accounting and management, regardless of the organization legal form is given by the accounting quality (through synthetic documents) of provider of accurate, consistent, verifiable and relevant information to timely and effective decision-making,* accountants and users of tomorrow must better understand the relationship between accounting and other disciplines, the area of their responsibility, and the need for continuous improvement.

2. BALANCE SHEET IN FAIR VALUE AND FINANCIAL PERFORMANCE

Taken as a financial situation that renders equity through the difference between assets and liabilities, it is considered that the *balance sheet* provides information on the nature and amounts invested in the resources (assets) of the entity, opposite its obligations to creditors and the owners of these resources.

The international accounting referential analyses the balance sheet in the context of the conceptual framework and IAS 1 "Presentation of Financial Statements" in its revised form. International conceptual framework defines and characterizes the elements that describe the financial position of an economic entity, as: assets, liabilities and equity.

➤ *For assets*

Intangible assets according to international standard IAS 38 "Intangible Assets" are identifiable non-monetary asset without physical substance.

Tangible assets according to international standard IAS 16 "Property, Plant and Equipment" are tangible assets held by an entity, either for use in the production of goods or services or for rental to others or for administrative purposes.

An item of intangible or tangible assets (as well as any active element in theory) must be counted as an asset when: it is probable that the economic entity will benefit from future economic benefits associated with it; and its cost can be determined reliably. In principle, the recovery value of tangible and intangible assets is made by the depreciation system

¹ Malciu L. ,, *Supply and demand of accounting information*", Publishing House Economică, Bucharest, 1998, pag.39

according to international standards IAS 38 and IAS 16. Further impairment beyond the depreciation is made according to IAS 36 "Impairment of Assets". A distinct category of non-current assets consists of real estate investment. They are real estate (land and buildings) held to obtain rents or realization of value pluses. These assets are subject to IAS 40 "Real estate investment".

Financial assets are securities and financial receivables (receivables, particularly in the form of loans). In view of the international accounting referential, financial assets and short-term financial investments are included in two categories of investments: long-term investments and current investments. Accounting and evaluation is made in accordance with IAS 39 "*Financial Instruments: Recognition and Measurement*". Basically, investments are measured at fair value. Impairments recorded during their existence are recorded in the category of adjustments for impairment.

Current assets are defined in the context of balance sheet presentation according to international standard IAS 1, using the equivalent term of current assets.

Stocks - according to IAS 2 "Inventories" (Inventories) are completed assets or pending completed manufacturing and intended to be sold in the normal activity of the entity; materials and supplies intended to be consumed during the production process or service provision. This definition does not take into account the nature of the item considered, but its destination, which is strongly influenced by the activity of the entity holding the assets. For example, property, land and construction are considered in most entities assets, but they are stocks for a real estate trader. Evaluated during the financial year to the input cost level, stocks can be adjusted to the inventory when their possible sales value (net value of realization) is lower than recorded costs.

Receivables are the rights of the entity from its third parties. The main category of claims is the commercial claims. To this, the salaries owed, social and fiscal claims; advances to associates on settlements related to capital; claims against debtors are added etc. When the inventory value at the end of financial year, is lower to the collection possible nominal value expressed in current accounts, impairment adjustments are constituted for the difference.

The available funds (home and bank accounts) are assets with the highest degree of liquidity. They appear as receivable values, current accounts with banks (with debit balances), interest receivable, cash and other valuables in cash and letters of credit. International accounting referential calls these elements liquidity. They are attached to cash equivalents.

Non-current assets destined to disposal are non-current assets that the entity intends to abandon by sale or exchange in the next 12 months which follow the end of financial year. They must be valued at the lowest amount between carrying amount and fair value minus sales costs.

➤ *For debts*

International standard IAS 1 defines and presents two major categories of debt, taking into account their degree of enforceability: total non-current and current liabilities. Premiums are long term liabilities (maturity more than one year), while others are short

term liabilities (maturity less than one year). In the current liabilities category is included the short-term part (payable over the next 12 months) of long-term liabilities. In the category of non-current liabilities arise individual liability cases resulted from the new financial mechanism required by applying international standards. So is, for example, deferred tax entailed by the application of IAS 12 "Income on earnings" and pension liabilities, following the application of IAS 19 (Employee Benefits). Liability relating to provisions is the result of applying IAS 37 "Provisions, Contingent Liabilities and any possible assets" (Provisions, Contingent Liabilities and Contingent Assets). This standard defines provisions as liabilities whose maturity or amount is uncertain.

- *equity*, as owners residual interest in its assets.

Fair value or historical cost?

If we consider that the balance sheet should be the probable liquidation value of an entity, certainly fair values would be preferred over historical costs. The reasons behind this choice are summarized as follows: fair value is the reason behind this choice are summarized as follows: fair value represent economic reality; a balance sheet on fair value is a true representation of the financial position; it renders probable liquidation value while historical cost "leads" to a "fictitious" accounting.

Arguments in favor of fair value would be much stronger if all elements of the assessment would be based on fair values. Now, however, under international accounting standards are combined two values: historical cost and fair value. Accounting based on fair value is further away from the historical perspective and the perspective nearer to the current value. But fair values increase the risk of misunderstanding by some investors or potential members of the entity.

Even if fair value can be market value, net value of stock does not equal necessarily, the market value due to the existence of the entity's internally generated goodwill. In these circumstances, using the fair value, the value of balance sheet is closer to market value, but without an equal. This would arise when tangible assets not acquired would be recognized in the balance sheet.

3. PROFIT AND LOSS ACCOUNT - REFLECTING THE FINANCIAL PERFORMANCE PANEL

The profit and loss account is the financial position or financial performance that measures the success of the activity of an economic entity on a given period. Given that accounting results are the consequence of applying a set of premises and accounting principles, and above all of the independence of exercises, finding revenue and expenses in connection to revenues, the importance given to this financial statements is accompanied by a dose of caution. *The profit and loss* account provides investors and creditors information required to forecast values, economic calendar and the entity's ability to generate cash flows. In this way, investors can more accurately assess the economic value of the economic entity and creditors can determine the extent to which the economic entity will be able to repay the debt. So a question arises: *How does the profit and loss account help users forecast cash flows?* First of all, this financial situation

provides information enabling evaluation of past performance of an economic entity, even if it is a past positive performance is not a guarantee of future success, it allows at least an update of the most important trends, because when there is a rational correlation between past performance and future results, the estimate of future cash flows should not be questioned. On the other hand, the profit and loss account gives users the information required to measure risk or uncertainty about future cash flows. Because providing information that explains the elements that lead to benefits - income, expenses, gains and losses - that financial situation highlights the relationships between the components described. It can be used by other categories of users. Customers will be informed of the extent to which the economic entity may provide them with the goods and services needed. Unions will examine the results in order to negotiate new collective agreements. In turn, public power uses results information to substantiate its economic and fiscal policies.

Profit and loss account includes: net turnover, income and expense year, classified by their nature, as well as the financial result (profit or loss). Unlike the balance sheet, the result account (profit and loss) translates the entity's business in terms of flow. it records total credit of goods, services or money falling as income (inflow) and in debit, goods, services, money coming out as expenses (outflow).

Information about the **entity's performance** (profit and loss) and especially about its profitability are used by users to: assess potential changes in the entity's economic resources which can be controlled in the future, information about variability in performance are particularly important; predict the entity's ability to generate cash flows to existing resources; to make judgments about the effectiveness with which the entity may use new resources.

Profit and loss account presents a double interest, for example, it determines an overall result and formulates an overall assessment of economic and financial performance of the period; it lets recap comprehensive income and expense items which contributed to the identification of favorable and unfavorable factors which influenced it. Thus, decreasing the exercise result may be generated by an uncontrollable growth of the purchase cost of raw materials, by increased indebtedness and financial expenses of decelerating sales.

In terms of form, the income statement may be presented differently depending on: *the criterion adopted for classifying income and expenses; how to report income to expenses.* In structuring revenue and expenditure, the continental practice adopted a classification by the nature of it, while the Anglo-Saxon accounting favors the classification by purpose or function of the entity.

Regarding the presentation in the form of "account", revenues and expenditures occur in two separate columns: the balance is entered as appropriate, in the column of income (loss) or expense (profit).

The "*list*" presentation allows highlighting revenues, expenses and earnings per operation. Whatever form of presentation, profit and loss account information are divided into types of activities that identify with economic and financial transactions carried out by a holder of heritage during a period of administration.

The 4th Directive suggests four schemes for profit or loss account that may be retained by Member States (in the form of list and tabular form with the presentation of expenses by nature and by destination) and there is so far a universal scheme of presentation. These schemes manifest as options due to the confluence of the differences in the European accounting and cultural tradition carried by EU countries. For example, Franco-German accounting tradition expresses its preference for presentation of expenditure and revenue by their economic nature, while Anglo-Saxon tradition expresses its preference for presentation of expenditure and revenue after the entity functions.

In the first stage of the Romanian accounting reform, standard setters opted for the French model of profit and loss account, taking advantage of the relevant financial information by the state for macroeconomic purposes (particularly regarding the added value).

In the second stage of the reform of the Romanian accounting a profit and loss account in French "style" list format (vertical) was chosen with a classification of expenses by nature, according to the 4th Directive and IFRS. However, the option of Romanian setters was surprising. The possibility of a profit and loss account with a breakdown of expenses by the entity functions was not foreseen, although there were ongoing concerns for the development of the capital market in Romania for attracting foreign investment and aligning with the international accounting referential.

The profit and loss account in which the classification of revenue and expenditure is made by nature satisfies the mass of users who seek through accounting information its use for analysis, forecasting and decision, cannot find in this document other than the existence or not of profit and its source categorized by nature. Therefore it is necessary to create other models for the profit and loss account. Why there is no possibility for other types of model of profit and loss account as long as we are interested in attracting new investors and developing the Romanian capital market, but also taking into account the requirements of small and medium enterprises?

Probably the State again puts his "footprint" desiring information converging towards the calculation of macroeconomic indicators. Structuring profit or loss account would give users of accounting information more useful and relevant data than the economic nature of expenditure and revenue.

It can be said that large entities, especially those traded - would opt for structuring on functions, facets appreciated by investors and managers, thus meeting criteria for international comparison, precisely as a result of the globalization process and globalization of financial markets.

In interpreting the performance of an economic entity we often put a sign of equivalence between performance on the one hand and the result, on the other hand.

Elements of a qualitative nature (ex. level of staff training) that cannot be measured and accounted for but, have to be taken in to consideration when calculating the performances of an economic entity are numerous. Naturally the following questions arise: *To what extent can we appreciate as favorable or not, a statement obtained by the economic entity by taking into account the presentation in absolute value through the balance sheet? What possibilities provide the balance sheet for correlating the result with other economic and*

financial indicators? For a long time, users of financial statements have been limited to the profit and loss account to find information on accounting result, considered the most important indicator for measuring the performance of an entity.

Therefore, we will continue on the result - as an indicator pursued by all users of financial information. Accounting result was considered a long time the most important indicator for measuring performance, reflected through the profit and loss account. The result always takes the form of *profit or loss*. Thus, in literature several approaches to the concept of *profits* have been outlined:

- first approach to this concept derives from etymology of the term "*proficere*" which means progress, to give results;
- In another approach, *the profit is "the generic name given to positive difference of income by selling goods made by an economic agent and their cost, regarded as an expression of economic efficiency"*.

Prestigious economists *consider profit to be "residual income" like "the final element or residual difference between total revenue and costs, which is what remains of the difference after subtracting various amounts ... there are not excluded interpretations, according to which" many people consider profit as constituting a useless and unjustified surplus from an economic point of view appropriated by inputs"*. Such views are fueled by inequalities that are formed over time between different social groups based on income insured from the profit, because large and very large profits exist with little profits or even with losses.

We believe that a detailed analysis of the performance of an economic entity must take into account all factors of production that have competed in forming the result in its economic nature.

4. STATEMENT OF CASH FLOWS - OWN FUNDING CAPACITY

The cash flow statement required by IFRS shows the sources of cash inflows received by an economic entity during the accounting period, and the purposes for which they were used. The situation is part of the analysis of an activity as it allows the analyst to determine the following: *the company's ability to generate cash from its activities; consequences quantified in cash investment and financing decisions; effects of management decisions on financial policy; the constant ability of firms to generate cash; how well the operating cash flow is correlated with net revenues; accounting policies impact on the quality of earnings; information on long-term liquidity and solvency of a company; whether the presumption of business continuity is or not reasonable; the ability of firms to finance growth from internally generated funds.*

Since the cash inflows and outflows constitute objective information, the data presented in the cash flow statement are an economic reality. The situation reconciles the increase or decrease in the cash and cash equivalents of an entity that appear during the accounting period (objectively verifiable information).

On the other hand, this situation should be read taking into account the following aspects: *There are analysts who believe that accounting rules are created primarily to promote*

comparability, rather than to reflect economic reality. Even if this view was considered a rough one, it is true that too much flexibility could cause problems to accounting analysts that are primarily interested in assessing the future ability of a company to generate cash from its activities; as the data in the profit and loss account, cash flows can be unpredictable from one period to another, reflecting random, cyclical and seasonal transactions, involving cash and sectorial trends. It can be difficult to decipher important long-term trends, from short-term fluctuations to less meaningful data.

Financial analysts can use the cash flow statement required by IFRS to help them determine other values they want to use in their analysis for example, free cash flows which are often used by analysts to determine a company's value. Defining cash flow is not an easy task as there are many different values which are commonly referred to as free cash flows.

Free cash flow with discretionary character is the cash available to discretionary purposes. Under this definition, **free cash flow** is the cash derived from operating activities, minus the capital expenditures required to maintain the current level of activities. Therefore, the analyst must identify the part of capital expenditure included in cash flows from investments associated with maintaining the current level of activities - a remarkable task. Any surplus cash flow can be used for discretionary purposes (ex, to pay dividends and reduce debt, improve solvency or expand and improve the work). Therefore, IFRS requires separate presentation of expenditure, indicating that those expenditures were necessary to maintain the current level of activities and of those who were made to expand or improve the work.

Free cash flows available to shareholders evaluate a firm's ability to pay dividends to its shareholders. In this case, the total cash used in investing activities (capital expenditures, acquisitions and long-term investments) is deducted from cash derived from operating activities. Actually, this definition states that the company must be able to distribute as dividends the operating cash, left after the company carried out the investments considered by management to be necessary to maintain and increase the current activities.

Generally for a well-managed and financially sound entity, cash derived from operating activities is higher than the net income; if not, the analyst must be skeptical about the company's solvency. Companies that often register growth have negative free cash flows because their rapid growth requires capital expenditures and other investments with high values.

Mature companies often have positive free cash flows, while declining firms often have free cash flows extremely positive, because lack of growth means a low level of capital expenditure. Therefore, free cash flows with growing high value are not necessarily positive or negative; they depend much on the life cycle stage of the industry in which a company operates. That is why free cash flows should be assessed closely with firm-revenue projections. Many valuation models use operating cash flow, thus stimulating the management to record inflows from operations (normal and recurring) and outflows relating either to investments or financing.

Fair value, as defined in International Financial Reporting Standards compared to historical cost approach, allows an assessment of the financial position as close to reality

as possible. Accounting regulations on the annual individual and consolidated financial statements, approved by the Minister of Public Finance, Order no.1.802 / 2014 supports the model of fair value only in certain situations, namely:

- optional reassessments of tangible assets, reflecting the revaluation results of operation individual financial statements;
- for financial instruments, including derivatives, fair value measurement is allowed only in the consolidated financial statements;
- for the goods obtained free of charge or added to inventory as a plus.

Accounting regulations do not require the use of such a model, but rather presents itself as an alternative rule of evaluation for a relatively narrow range of items. Thus, to comply with European Directives and International Financial Reporting Standards, the Romanian accounting accepted as a *basic system*, the evaluation of historical cost and, as an *alternative valuation rule*, the fair value for the items listed above, under the presented conditions.

In Romanian practice, for many, the concept of **fair value** knows only one reality: the **market value**. But this is only one of the ways to estimate fair value, the one that provides the greatest objectivity because it is based on information outside the entity which cannot be influenced in any way. Under current economic conditions, the markets loses liquidity or ceases to exist, making the fair value measurements based on information provided by market become irrelevant and insecure.

For our country, the *fair value*, as all changes in accounting system since 2001 is new. Yet it is difficult to clarify the conceptual level and the more difficult it is to apply it in practice. For the first time fair value was mentioned in the accounting regulations harmonized with international standards in 2001, then in 2002, when it was opted for connecting the Romanian accounting to international accounting standards and, with the European ones (who had no previous update in the context of international convergence). Currently, by waiving the rules mentioned and adopting accounting regulations on the annual individual and consolidated financial statements, we remain in the spirit of international accounting standards and therefore we accept *fair value* as the alternative value.

The concept of fair value is reflected in several international accounting standards (IAS 16, IAS 19, IAS 36, IAS 38, IAS 39, IAS 40, IAS 41) and the body accounting regulations IASB does not waive this concept even when developing international financial reporting standards, using it in the newly issued IFRS (IFRS 2 and IFRS 3). All these standards require the use of fair values for one or more classes of assets or liabilities. Currently, the concept of fair value found in the accounting standards developed by the IASB is: "*fair value is the amount for which an asset could be exchanged, or a liability could be settled, voluntarily between informed parties, during a transaction in which the price is determined objectively*".

The best impact of fair value over a business performance measurement is offered by IAS 39 "*Financial Instruments: Recognition and Measurement*". Certain assets and liabilities are included in the balance sheet at fair value, at market price. Any changes in the fair value of recognized assets and liabilities are taken into the results account. This changes

the nature of profit and loss account and requires rethinking the measurement of performance, because net income before tax is no longer the economic activity of the entity, but rather includes the profit generated by the increase in fair value of assets. In other words, changes in market values will lead to changes in the results reported in the income statement and in these circumstances it will be difficult to attribute performance to internal or external changing conditions (market).

If the use of fair values leads to a market price impact on income, and thus on performance, then the income will become more volatile as a result. Use of fair value implies a change in direction from loss to profit and a statement of comprehensive income as developed by the United States. There are two views outlined in this regard, which we present in the following table:

Table 1.

CONS	PROS
<ul style="list-style-type: none"> ■ it is difficult for shareholders to assess the effectiveness of resource management by the management entity; ■ profits arising from changes in fair value are unrealized and unrealized gains recognition is inconsistent with the traditional prudent accounting approach. 	<ul style="list-style-type: none"> ■ acquisition of assets whose value decreases is an indication of poor management that would be recognized in the income statement.

Source: own design

Reporting of comprehensive income in financial statements involves the presentation of all changes in assets and liabilities arising from transactions other than those with shareholders. This approach presents in one single event, called "*statement of comprehensive income*" all items currently recognized in the income statement or the statement of changes in equity: *revaluation of property, plant and equipment, investment property, goodwill, gain / loss from disposals of assets and net investments, fair value hedge or of cash flow etc.* Currently, the fair value is trying to reduce the negative effects of historical cost. With the ever *stronger* development of financial markets, fair value will have an increasing role.

5. CONCLUSIONS

Economic entities must apply a modern asset valuation or a mix of elements of historical cost and fair value. This consideration is the basis for increased efficiency of decision making and improvement of economic and financial performance of economic entities.

Although slow **the transition to fair value** seems to be an unstoppable trend, because more and more specialists consider it the **best method for valuing assets**. This situation is fueled by pressures of *accounting normalization bodies* that promote it, via standards they develop. *Discussions on the controversial subject of the use of fair value are far from being concluded and will continue for a long time and because the concept of fair value is closely related to the fair presentation, both concepts are still moving, influencing each other.*

Without claiming an exhaustive treatment through information and conclusions presented as a result of the study made, we are opening new opportunities - for new approaches to the problem stated:

“Is accounting information provided by financial statements sufficient and relevant to analyzing the transition from historical cost to fair value? Are calculation tools used appropriately; and the analysis model is now applied correctly so that the results obtained reflect reality in terms of valuation of assets of an economic entity, based on information from financial statements? Has the transition from historical cost to fair value accounting major implications? or otherwise formulated: Can the transition from historical cost to fair value lead to performance of Romanian economic entities?”

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