

THE ROLE OF PROFESSIONAL ACCOUNTING REASONING IN ENSURING STANDARDS OF PREPARATION AND CERTIFICATION OF FINANCIAL STATEMENTS

Mihaela-Raluca Boharu (Mircea)^{1*}, Cristina-Elena Florea (Poenaru)²

¹⁾²⁾ *Valahia University of Targoviste, Targoviste, Romania.*

Abstract

The whole of humanity is nowadays going through an extremely difficult period, as the medical-financial crisis is affecting the entire economic sector. Given this crisis, in order to improve or combat difficult situations, special emphasis is placed on obtaining accurate and objective financial information. The focus is now on the professional accountant whose reported data become decision-making factors for external users. Among these external users, we mention: investors, shareholders, banks, authorities and last but not least the population at large. Given these aspects, we propose to investigate in this article the way in which the professional accountant is forced at certain times to resort to subjectivism. If so, in what situations and determined by what factors and by what means these situations can be controlled. On the other hand, we will investigate how the balance between objectivity and subjectivity can be respected in the application of the professional reasoning of the accountant and how the fidelity and the accuracy of financial accounting reports can be ensured. The research methods include qualitative methods as studying the scientific literature and practical documentation in economic units but also the quantitative-descriptive methods by developing case studies. The result of this article estimates as accurate as possible of the extent to which the manifestation of the creative accounting can influence the accuracy of the information regarding the real situation of the economic activity.

Keywords

professional reasoning, financial statement certification, streamlined financial management, reporting standards.

JEL Classification

M40, M41, M42.

* Corresponding author, **Mihaela-Raluca Boharu (Mircea)** – ralcont2003@gmail.com