

FINANCIAL PERFORMANCE OF AN ENTITY IN THE EUROPEAN AND INTERNATIONAL ACCOUNTING STANDARDS

Alice Țință¹

ABSTRACT

This article is based on the idea that a powerful, competitive and functional economy, capable to face European challenges has to be performant. I approached the term of performance thinking of management value first. An enterprise creates value for its shareholders when the profitability of the invested capital is greater than the cost of different financial sources used. In other words, it is not enough to have accounting profit, in order to create value. After that, I analyzed performance in terms of efficiency and effectiveness, the combination between those two resulting in the level of performance of an enterprise.

Furthermore, I analyzed creative accounting and its role in maximizing enterprise performance. From an economic and an accounting point of view, the environment of an enterprise is full of uncertainties, which makes the elements of financial statements to be estimated and not measured with certainty. The way the management of an enterprise chooses the treatments and accounting policies, creates the possibility of a deliberate choice that responds with its interests, a choice that does not give a faithful image but more of a convenient one. Thus, appearing a distortion in the quality of financial information, creating uncertainties regarding the consistency and comparability of users' information, in which case we deal with a deliberate accounting, or creative accounting.

Keywords: performance, financial position, creative accounting, economic and financial indicator, overall result, financial reports.

1. INTRODUCTION

The enterprise performance analysis focuses on forming the result, its structure, taking into consideration constitutive elements and factors influencing the level of performance.

Starting from these premises, the second part of this chapter approached the *overall result* of the enterprise, information built according to a well-set rules and principles.

From a conceptual point of view, the determination and reporting of the *overall result* helps to integrate all the elements of income, expense, gain and loss, following the increase of financial reporting transparency.

In an overall acceptance, the main indicator for enterprise and its management performance is the financial position. Along with this, the result represents the primary information supplied by financial statements. Implementing international accounting and financial reporting standards in to national accounting system allowed defining a common language for accounting procedures and treatments, and eased the transfer of financial information to

¹ Ph.D. University Lecturer

their consumers (shareholders, investors). This reforming process in national accounting led to major changes regarding the use of professional reason in order to reflect economical transactions in accounting.

In general, the continuing evolution of economy and in particular of accounting, require new dimensions for financial position and performance.

This article represents a summary of ideas published in specialized literature, doubled by a praxeological analysis of regulations made by international and national accounting setters, as well as other entities in accounting.

2. THEORETICAL CONSIDERATIONS REGARDING THE PERFORMANCE OF ENTITIES

We notice much more the use of the word performance, nowadays. As well as the fact that even though it is used frequently, rarely performance has a definition, even if we talk about literature. This is why we tried to present the main signification of performance.

The origin of “performance” comes from Latin, but its significance comes from English language. In Latin, “performare” means to finalize an activity. “To perform,” means to make something that requires ability. “*Performance*” translates the manner in which an organization reaches its objectives. In economy, there are many definitions of the word performance. The most important definitions refer to performance according to the level of achievement of strategic objectives, performance according to the value created and performance according to enterprise productivity and effectiveness. There is no performance independent of the objective suggested. The one who reaches its objectives is called performant.

A strong, competitive and functional economy, capable to face European challenges, has to be performant. The notion of performance evolved during the years. Performance became a polysemantic term used in different ways according to the field of research. In economic literature, performance is used in different ways. Further, we will present the primary currents in the evolution of performance definition.

From the point of view of performance definition in accounting, the last couple of decades give different approaches. So, C.J.L. Murray and J.Frenk² (2000) consider performance as a relative concept, because this implies comparing the results obtained with those possible to achieve. Bertin³ (2007) gives a different approach that defines performance by appealing to social and societal performance. Social performance represents the measure of policy effectiveness regarding the staff (detecting social problems, predicting their evolution and establishing the solution cost of opportunity); and societal performance represents the measure of the enterprises’ policy effectiveness regarding its environment.

² Murray C.J.L., Frenk J., 2000, A Framework for Assessing the Performance of Health System, Bulletin of the World Organisation, vol. 78, no. 6, pg. 717-731, <http://www.who.int/bulletin/archives/78%286%29717.pdf>.

³ Bertin E., 2007, Audit interne, Paris: Eyrolles, pg. 273

B.Colasse⁴ (2008) said: „the concept of performance covers different notions, different like: growth, profitability, productiveness, return and competitiveness”.

In order to state a clear definition we have to clarify, first, other two concepts *efficiency* and *effectiveness*. Efficiency means the capacity to improve the report between obtained results and resources allocated. In general, efficiency is defined like the direct or indirect report between useful effects and the effort used. Effectiveness is the measure in which the objectives were achieved or the goals of social partners, clients, Stat, suppliers, staff, shareholders. *Considering this, we can state that performance is the level of satisfaction offered by the enterprise to the intern and extern environment, by combining efficiency and effectiveness.*

You cannot win a race without knowing where you want to go and if you do not have the means to do it! Therefore, the optimal strategy is the one developing and exploiting the durable competitive advantage, which will annihilate the competitive advantage of competitors. Without a proper management, we cannot talk about performance, but not without costs. In general, costs should be lower than the results obtained, otherwise the enterprise has no positive value.

3. TOOLS FOR MEASURING PERFORMANCE

Within the enterprise, the way performance is measured is different according to the level of responsibility. For instance, the performance of a chief of a production entity (workshop, section) can be measured by the efficient use of resources in production (if the expenses are low), if this was the main objective of management. For the Sales Manager performance will be measured by increasing the turnover in a specific period, in turn for the Head Manager performance will be measured in terms of gain and liquidities, as global objectives.

The recognized tools for measuring performance are the **indicators**. Economic literature provides tens of definitions for indicators, but because we will not do a critical analysis, we will present some them.

Some authors find indicators to be “ objective data that describe a phenomenon from a quantity point of view”, for others “ indicators are numbers that tell a controlled phenomenon” or “ detailed figures of an activity or action, that may contribute to enriching progress decisions or making them happen⁵” or “ a concentrated expression of information⁶”.

Most of the definitions are restrictive; they will not consider their role in the managements’ decision. In our opinion enterprise performance should include other measurable performances or not, from an economic, technical, environment protection or managerial point of view.

⁴ Colasse B., 2008, L’analyse financière de l’entreprise, Paris: La Découverte, pg. 53

⁵ Niculescu M., 2003, Diagnostic global strategic, publishing Economică, București, pg. 47

⁶ Robu V. și colectiv, Analiza economico-financiară, Biblioteca digitala ASE

The complexity of phenomenon, economic processes and specific situations in the activity of different enterprises make impossible the use of a **unique indicator**. The development of performance indicators raises a series of problems, like choosing an indicator and a method of computing, and on the other hand the significance of those indicators for enterprises and their partners.

So the question arises: what is the “sufficient” number of indicators used in order to appreciate the state of performance of the enterprise?

After a retrospective analysis in the national and international evolution of the concept of performance, E.M.Glăvan⁷ (2009) thinks there has been an evolution in time for performance appraisal criteria, meaning that they are numerous. Nowadays, monocriteria are being replaced with multicriteria performance models that include the expectations of different partners of the enterprise: shareholders, clients, staff, Stat, other third parties.

For better shaping financial performance we have to use a system of indicators that describe the strategic orientation of the enterprise, the characterization of internal and external relations, the efficacy of the activity, the capacity to adapt to market demands.

Different situations of the enterprise targets: the field of activity, the growing phase, the capacity of debt, the sensitivity to refinancing or capitalization, management methods, the specifics of the value chain, the growth rate. The use of financial and economic indicators represents the way the financial and economic performance is reflected. The indicators that measure performance provide information that helps an individual or a collective to achieve an objective or to evaluate a result. Enterprises work with different indicators, some are needed, others are forced and others because their trendy. For an indicator to be relevant and useful at any decisional level, building it has to be made by following certain rules. This is an assumption based on using qualitative indicators and materialized in: **utility, accessibility, relevance, reliability, simplicity, credibility, reactivity, coherence**.

In order to measure performance we have to take into consideration the characteristics of indicators, specifying its name, centre of decision, computing method, computing frequency, why we chose that indicator, input of information, the information computed, the normal evolution of the indicator, possible interactions, the decisions that can be made upon it, the way it is presented (rate, absolute sizes). Achieving these methodological demands represents the premises for performance relevance and utility in the decision making process.

In spite of this, the development of performance measurement indicators raises two practical problems, targeting:

- Choosing indicators and the way to compute;
- The real significance of the indicators for the enterprise and its partners.

⁷ Glăvan E.M., 2009, Management control and enterprise performance, publishing InfoMega, Bucharest, pg.

Performance evaluation criteria are in constant evolution, every decade having its own specific criteria, which by default reveals the changes in economic reasoning.

In conclusion, we can say that an indicator is more than just numbers; it becomes useful when gathering more information like:

- The reason to be- the strategic objective, dates and numbers that follow it;
- The computing periodicity and tracking indicators;
- Its' technical definition, formula, the source of information;
- The method of presentation – numbers, graphic;
- List of presentation.

We consider the indicator as a numeric expression of the quantity nature of economic phenomenon and processes, in certain time and place, a fact that leads to thinking that measuring performance cannot be based on a single result indicator.

4. QUANTIFYING THE FINANCIAL PERFORMANCE DURING THE CRISIS

In this context of economic instability, with a negative impact on organisations dealing with financial blockages or bankruptcy, can performance be measured only based upon the accounting result? We do not think so. It is well known that any organization in order to survive has to balance its earnings with the payments. Thus starts “the beginning of the end”, meaning the end of payments. On the other hand, the accounting policies applied, distort the result. Do profitable organisations have liquidities? Not in most cases. Behind profitability, they hide serious problems of treasury. The actors of financial information are interested in a flowing activity, especially in the organisation capacity to insure a proper speed for liquidities. Can this kind of demand correspond to a commitment based accounting and based mostly on profit? Under the wand of commitment accounting, „the marriage” of $\text{income}=\text{earnings}$, $\text{expenses}=\text{payments}$, will never become “official”⁸.

Lag time between recognition of income in accounting and cashing, and recognition of expenses in accounting and payment can decide the financial outcome of the organization. In this context, practitioners and theoreticians focused their attention on the treasury result, considered vital information for the organization, because it finances its activity and it assures its durability.

Financial specialists have to ensure the financial balance of the organisation, a balance between working capital and the need for working capital. Achieving this balance reflects the efficient conduct of the business and its maintenance over several successive financial years reflects the organization's success in economic and strengthen its market position. When earnings and payments are not synchronized, the treasury registers a positive or negative value. Positive treasury translates into financial unbalance and means monetary deficit covered by loans at high costs. In order to avoid this situation, treasury management plays a major role.

⁸ Răileanu V., Răileanu A.S., 2009, Accounting and fiscal approaches regarding taxes, Publishing Economică, Bucharest.

Both positive and negative treasury generate financing costs, “zero treasury” being the most used management policy and consists in maintaining balances availability close to zero, in order to decrease treasury management costs. An efficient treasury management is always the one that ensures the organisation capacity to pay. “*Exposed to future uncertainty and risk, Homo oeconomicus cannot predict or anticipate, [...]. Plans and budgets characterize the most wanted possibility and not the most likely*”⁹.

Thus, it is required a forecast of cash receipts and payments, which is intended to improve financial security and profitability of the organization, reducing financial costs.

On the other hand, in a continuously growing economy and under a more diverse request for information, historical data are insufficient and foresight is the way organizations ensure their survival.

In order to overcome this situation, practice and theory have conceived several tools of treasury forecast: *the treasury budget, the daily situation of treasury, the financing plan*.

In fact, *the budget treasury* predicts the financial performance of the organisation through its ability to generate cash¹⁰. The treasury budget gives a whole prediction of cash flows, highlighting the monthly balance to be financed or capitalized, but through out a month the balance varies on a daily bases. Daily treasury management requires accurate knowledge of these flows, since they can be based on forecasts for shorter periods of time, or a decade, a week or a day. Making such forecasts is difficult, but we have to consider that it is based on all items availability and the achievement of treasury objective. *The daily balance* consists of earnings and payments, classified upon the nature of instruments used and that the sources of information are both of accounting and extra accounting nature. *The financing plan* it is made for a period of 3 to 5 years and it reflects the whole balance of the enterprise, highlighting the main cash inputs and outputs, in order to detail cash flows.

5. THE ROLE OF CREATIVE ACCOUNTING IN MAXIMIZING PERFORMANCE

Business globalization creates permanent challenge for accountants, faced with new forms of identity manifestation of firms competing in a market greatly amplified, where the need for information is much diversified and fast, sometimes becoming a marketing and advertising instrument. In this context, the accountant must find rapid solutions to the new informational demands, sometimes without waiting for regulations, thus appearing the need to be creative in finding solutions and treatments that promote company image and gaining advantages without arguing with the law.

⁹ Burlaud A., Simion C. J., 1999, Management control, translation, publishing C.N.I. “Coresi”, Bucharest, pg. 49

¹⁰ Ștefănescu A. 2005, Enterprise financial performance between reality and creativity, publishing Economică, Bucharest.

In addition, economic, judicial and social development has made accounting creativity necessary. This kind of accounting developed mostly in Anglo-Saxon economies thanks to the freedom of accounting as a profession.

It sat on the edge of legal form and economic substance of transactions and events. Discussed by accounting practitioners, creative accounting development was facilitated by basic and alternative treatments used for solving the same problem. In most cases, an accounting problem has at least two solutions, with a different effect on financial position and enterprise performance. We can state that creative accounting was influenced by the flexibility of international accounting regulations. Creative accounting is treated in most cases as negative (negative creation), designed to lead to the drafting of financial statements that will respond to the wishes of managers regarding the financial position and performance of the enterprise.

Thus, the financial statements are not what they should be (normative discourse), but what is desired (interested speech). The simultaneous treatment of creative accounting as an instrument to achieve accounting objectives, but also as an engineering book is based on the accounting policies adopted by a company that produces and communicates information.

The existence of all kind of economic and accounting uncertainties, in which the enterprise performs its activity, makes many of the elements of financial situations be estimated and not measured with certainty.

The option of enterprise management for one of the multiple treatments and accounting policies creates the possibility to choose on purpose the one that matches your interests, which do not always lead to a faithful image, but to a more convenient one.

This causes a distortion of the quality of financial information, creating uncertainty about the consistency and comparability of users' information, in which case we are dealing with an intent accounting in other words, it is within the scope of creative accounting. In spite of the potential growing importance of the synthetic documents and the complexity of the developed activity by regulatory organisms, accounting information fails to fulfil the functions assigned to it. Perhaps the most peremptory of this finding is the numerous financial scandals.

The arsenal of methods used by creative accounting, implicitly by accounting engineering is highly differentiated and complex from the point of view of structure. Creative accounting implies that the enterprise takes advantage of the regulatory breeches and their flexibility in order to distort public information. Although there is a clear difference between creative accounting and deliberate break of the law (fraud), both appear in difficult financial conditions and have the purpose to cheat.

Accounting engineering is defined by some authors as: "the process that manipulates accounting figures, because of the regulatory breeches; and taking advantage of their flexibility choose information and measuring practices that allow transforming the data into

what managers want” or “the process that structure transactions to allow producing the wanted result”¹¹.

Analyzing the two accounting systems, Anglo-Saxon and European, we can say that the more prescriptive and inflexible approach of the European continental model makes it easier to reduce the area of misuse of accounting policies and accounting estimates manipulation, while the Anglo-Saxon model leads more to the use of revaluation and the prevalence of substance over the form.

Therefore, in our view, creative accounting is an instrument that helps the manager, used to promote and support the company image, and to select the information so that it is supporting his interest. Therefore, even though creative accounting is not illegal, it points out the fact that managers under financial pressure, look for solutions without keeping up with the ethics of the process. In other words, half-told truth and lie can be considered susceptible of fraud.

6. THE GLOBAL RESULT- A NEW DIMENSION IN MEASURING FINANCIAL PERFORMANCE

In a dynamic economy, dominated by internationalization of entities, the complexity of financial markets, multiplication of financial and accounting information users and their heterogeneity of interests, accounting becomes the language that provides relevant, reliable and comparable information. This is the reason that accounting regulators have been so preoccupied to identify some models of presentation for the information provided by accounting that could respond to solicitors' demands. Globalization, as a premise for the regulatory accounting process, is characterized by interaction of financial, material and human resources at an international level. This amplifies and diversifies transactions made by economic entities, which instead influences the opportunity to process and deliver information.

In this context, the normalization of the synthesis conditions on the overall result, which would replace or supplement traditional income statement format has become a common concern of the project initiated by the IASB and FASB to achieve convergence between IFRS and U.S. GAAP standards. From a conceptual point of view, the determination and reporting of **global result** serves to present in a unique size (integrated) all items of income, expense, gains and losses, aimed at increasing transparency in financial reporting. Replacing or supplementing traditional income statement with a global format in order to integrate current result, including operations that transited directly in equity, is based on the premise that the size of performance is given by the value measuring equity variations(evaluated in market value), or the enrichment of shareholders, and not by the net result indicator.

Previously to this normalized approach, in accounting theory critics have often been made by the practices that certain elements as the nature of the result bypass the profit and loss

¹¹ Naser C., "Creative financial accounting: its nature and use, Pretince Hall, 1993, pag.59, cited by Feleagă N., Malciu L., "Accounting options and policies,, Fair Accounting versus Bad Accounting", publishing Economică, Bucharest, 2002, pg.390

having an impact on the equity, thus becoming amorphous elements and yet a source of potential information. Position to these practices is different, as the interests of users differ.

The continuing concerns regarding performance and global result reflect the difficulty to dissociate income flows from exploitation, income flows from balance sheet variations¹².

Since not all changes of fair value of assets and liabilities in the IFRS are being reported in the income statement of the period in which these changes are recognized, gradually it has been considered that the net result cannot be perceived as a complete measure of financial performance, thus prompting on efforts focusing towards the normalization of income reporting.

*As the expression of performance, **global result**, in terms of equity variations belonging to shareholders (balance sheet value of net assets) can be translated into:*

$$R_{gt} = (VB_t - VB_{t-1}) - D_t - OC, \text{ where:}$$

R_{gt} – global result at the end of t time;

VB_t – equity (in accounting value) at the end of t time;

D_t – dividends shared at the end of t time;

OC – assets operations with the owners during t time.

Therefore, the result is determined by registered variations of the net asset during a period. The balance sheet approach is based on neoclassic economic theory according to which enterprise management has as a main objective the maximization of business value. Professors M. Ristea și C. Dumitru, suggest a formula based on *an income/expenses approach*:¹³

The Profit/Loss of the specific period in the profit and loss account

(+/-) income/expenses, earnings/loss recognized straight into assets

(+/-) profit/loss from accounting policies changes

(+/-) profit/loss from the correction effect of fundamental errors

= Global result

¹² Pratt J. ,2011, [*Financial Accounting in an Economic Context*](#), John Wiley & Sons Publishing

¹³ Ristea M., Dumitru C., 2006, *Bussines accounting*, publishing Tribuna Economică, Bucharest, pg. 19

The two approaches are different because of the different accounting methods of enterprise transactions. In table nr. 9.1, we present few comparative elements regarding the two approaches.

Table nr.1 – Double approach on the result; comparative elements

Active-Passive approach (BALANCE SHEET)	EXPENSES- INCOME APPROACH (RESULT ACCOUNT)
Transactions are being accounted by their impact on active and passive; Income and expenses are being accounted by the rule of active and passive elements; Accounting standards point out accounting and evaluation rules, of passive and active; The primary financial document is balance sheet; The result account is on the second place.	Transactions are being accounted as income and expenses by following the fundamental principles: caution, exercise autonomy; Give less importance to variations of active and passive; The primary financial document is the result account; The balance sheet is less important.

Basically, according to IASB, both income and profit are part of positive results, as well as expenses and loss are part of negative results¹⁴, which supports the image of a global result accounting or a clear surplus accounting.

However, in practice standards previously issued by the IASB, especially those of fair value, we find many rules that reflect an accounting model of net income or "dirty surplus" (Dirty surplus accounting) in which no fair value adjustments are recorded in net income, but transferred directly to equity, the model moving away from the rules of Conceptual Framework.

From the point of view of regulations, maintaining the result of the fair value alteration a secret, can very well be considered actually, a denial of its own evaluation model(until IAS 1 was revised in 2007). The difficulty in reaching a consensus by regulating those points of views led to a common project IASB-FASB regarding the presentation of financial performance. The project is a clear example of effects induced by globalization of standards from the Anglo-Saxon model that creates rupture to the previous accounting conventions, from the European accounting model.

For a correct position we have to notice how the role of fair value has intensified in financial reports, developing an integrated model of fair value, as well as the numerous critics of the traditional accounting model, its principles and standards, regarding the assignment of income and expenses or the studies that challenge the utility and relevance of the net result concept in evaluating financial performance of an entity. The adoption patterns based on the determination of the result based on balance sheet approach (or assets - liabilities) or

¹⁴ CECCAR, 2009, International Financial Reporting Standards, issued at 01.01.2009, publishing CECCAR, pg. 90

profit and loss (income - expenses connected properly) resulted in different articulation of the balance sheet and income statement, each characterizing certain period.

Considering these circumstances it is important for the theoretic foundation of IFRS, that the reported financial performance of an entity to be complete and to have a forecast capacity. *How can we measure and report performance so defined?*

The conceptual framework brings only a few examples as a respons (paragraph 69).

The difficulty of using a single standard approach comes from the fact that the way, in which the articulation between the financial statements takes place, instead of improving a format they can affect the utility of each other's features. The delicate balance between features on the results approach by linking expenses versus income approach to measure assets and liabilities is summarized below:

Table nr.2: Result regulating

Context	ADVANTAGES	DISADVANTAGES
Previous accounting standards of IFRS and IASC were based on profit and loss account and on the connection principle.	Profit and loss account was a report on the current exploitation performance.	Balance sheet was a black box for debts and loans that weren't yet poured into profit and loss account, but not knowing that they were correctly evaluated.
The conceptual framework of FASB and IASC is based on the role of the balance sheet and on the correct evaluation of assets and debts.	The information in the balance sheet is presented more accurately.	The net result is volatile considering earnings and losses of registered assets, because of an accurate need for a presentation of assets and debts.
The global result wants to maintain the utility of balance sheet and profit and loss account.	The net result excludes certain earnings and losses, being considered a proper indicator for current exploitation performance.	It may appear some confusion regarding the utility of each synthetic situation. Currently, in American practice users are often ignoring global result situation.

Source: processed after the International Financial Reporting Standards, issued at 01.01.2009, publishing CECCAR, Bucharest

In conclusion, we can appreciate that the **introduction of global result as a new concept** and the interests for creating a new synthetic situation dedicated to it, comes as an expansion of the use of fair value as basis for evaluation, a change determined by the modification in perspectives regarding objectives followed through financial reports, or the primary use of useful information in order to take evaluation decisions by the shareholders at the expense of an exclusive evaluation of resource administration by the management.

In Anglo-Saxon, opinion accounting finality is to inform the investors. The central indicator must reflect market fluctuations.

With measurement at fair value of certain assets and liabilities (in particular those financial) IFRS referential adopts a broad approach of financial performance. Performance measurement criteria do not limit its self to an operational dimension. The entity capacity to optimize the management of assets and debts is being captured in a comprehensive manner. Accordingly, the relevant amount in terms of performance is given by changing the size of the investor's assets in other words its interest in the net assets of the entity at fair value. The result can be considered a measure of performance only to the extent in which it includes all the changes that interfere with net assets, no matter their nature, changes due to exploitation and market circumstances, fair value changes.

Concepts regarding result have represented and represent a controversial realm. In the United States regulating global result concept (comprehensive income) within general accounting standards (US GAAP), was achieved 15 years after it was introduced in accounting theory and practice.

This discrepancy is mainly because performance presentation is not only a matter of reporting the result in one format or another, but it involves issues relating to the assessment and recognition of elements from financial statements.

The reason for the introduction of a new concept is determined by the fact that the focus on net profit was one of the causes of fraud and overvaluation of the stock market that has characterized recent years¹⁵.

Many of the financial scandals in the last decade were caused by the manipulation of net result. The new financial situation has different categories regarding economic operations, financial activities, investment activities and tax payment. The present accounting standards allow entities to report global results in a format similar to profit and loss account or as part of performance statement, or within changes of equity. The concept of global result is not entirely new; it appeared in the Anglo-Saxon culture first.

In the context of accounting evolution at fair value, international accounting regulators have oriented their concerns on a way to integrate new conventions of assessment within the global format of performance, thus following once again the north-American strategy regarding regulating the concept of global result.

The most recent studies reveal the fact that global result, in its whole and components can give to users a plus of relevance in relation to the informational value of the net result.

Although these studies are few, they cannot argue the unilateralism of the concept of the result, we cannot overlook the fact that in confronting with fair value management,

¹⁵ Schroeder R., Clark M., Cathey J., 2009, Financial Accounting, Theory and Analysis, John Wiley / Sons, USA, pg. 197

investors on the financial markets need new information, besides those offered by the traditional accounting model.

7. BIBLIOGRAPHY

1. Bertin E., 2007, *Audit interne*, Paris: Eyrolles.
2. Burlaud A., Simion C. J., 1999, *Management control*, translation, Publishing C.N.I. "Coresi", Bucharest.
3. CECCAR, 2009, *International Financial Reporting Standards issued at 01.01.2009*, Publishing CECCAR.
3. Colasse B., 2008, *L'analyse financière de l'entreprise*, Paris: La Découverte.
4. Glăvan E.M., 2009, *Management control and enterprise performance*, Publishing InfoMega, Bucharest.
5. Murray C.J.L., Frenk J., 2000, *A Framework for Assessing the Performance of Health System*, Bulletin of the World Organisation, vol. 78, no. 6, <http://www.who.int/bulletin/archives/78%286%29717.pdf>.
6. Naser C., "Creative financial accounting: its nature and use, Pretince Hall, 1993, pag.59, citat de Feleagă N., Malciu L., "Politici și opțiuni contabile, Fair Accounting versus Bad Accounting", Editura Economică, Bucharest, 2002.
7. Niculescu M., 2003, *Strategic and global diagnosis*, Publishing Economică, Bucharest.
8. Pratt J., 2011, *Financial Accounting in an Economic Context*, John Wiley & Sons Publishing.
9. Răileanu V., Răileanu A.S., 2009, *Accounting and fiscal approaches regarding taxes*, Publishing Economică, Bucharest.
10. Ristea M., Dumitru C., 2006, *Bussiness accounting*, Publishing Tribuna Economică, Bucharest.
11. Robu V. și colectiv, *Financial and economic analysis*, Digital library ASE.
12. Schroeder R., Clark M., Cathey J., 2009, *Financial Accounting, Theory and Analysis*, John Wiley / Sons, USA.
13. Ștefănescu A. 2005, *Financial performance between reality and creativity*, Publishing Economică, Bucharest.