

# ***THE PROFIT AND LOSS ACCOUNT IN DIFFERENT APPROACHES. ADVANTAGES AND DISADVANTAGES***

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## ***Abstract:***

*The evolution, the development of increasingly complex activities emphasizes the utility, the necessity of the profit and loss account in the financial reporting by increasing the interest in the enterprise performance, especially for the dynamic information that this situation can provide. In this paper we propose to approach the profit and loss account in view of two representative referential, namely in terms of IAS 1 standard “The preparation and presentation of the financial statements” and the European Accounting Directives, aiming to emphasize the advantages, but also the limits provided by this models. This way, will see which of these models of profit and loss account respond best to users' needs. In the second part of the paper, we present the model for the profit and loss account proposed by the economist RJ Thacker. This model shows interest in terms of efficiency of enterprise management. Even if this model has its limits, it deserves to be analysis thorough an elaborate study.*

***Keywords:*** financial statements, profit and loss account, financial performance, results

***JEL codes::*** M40, M41