

ACCOUNTING POLICIES AND THEIR INFLUENCE ON COMPANY'S PERFORMANCE AND POSITION

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Abstract:

The selection of the accounting policies is the paramount factor for the image of one company. Choosing between one or another accounting policy will lead to distinct results in financial statements and furthermore to different economic-financial ratios. Showing the influence of some of the often used accounting policies, the paper wants to find answers to questions like: which are the factors a company should consider when selecting its accounting policies? Is this favourable image obtained by applying certain accounting treatments a temporary or a permanent one? Taking into account the flexibility that exist, is there any possibility that analysts to reconsider the interpretation of financial statements?

Keywords: *accounting policies, financial statements, accounting treatments.*

JEL codes: *M41, D00*