

NEW ISSUES REGARDING FINANCIAL ANALYSIS OF ROMANIAN ECONOMIC ENTITIES WHILE ADOPTING IFRS

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Abstract:

The objective of financial statements according to IFRS is that of providing useful information for enabling users' economic decisions making. However, the financial statements corresponding to IFRS do not include all the information that a certain user might require in order to hold all the above-mentioned attributes, since financial statements generally present the effects of past events and do not necessarily offer un-financial information. The financial statements corresponding to IFRS contain data on the past performance of an enterprise (its earnings and cash flows), as well as on the financial standing of that entity (assets and liabilities), which aren't useful in the evaluation of the future risks perspective. The financial analyst has to be able to use the financial statements together with other information, in order to reach valid, investment-related conclusions.

Keywords: IFRS, financial statement, performance, financial standing

JEL codes: G30, G32