

Preparation of Financial Statements for Sme's in Romania. Interest for Cash-Flow Statement

Nicoleta FARCANE

West University, Timișoara
nicoletafarcane@yahoo.fr

Sorinel CĂPUȘNEANU

“Artifex University”, Bucharest
sorinelcapusneanu@gmail.com

Sorin BRICIU

“1 Decembrie 1918” University, Alba Iulia
sbriciu@yahoo.com

Abstract. *The purpose of this article is to obtain feedback about the transition to IFRS standards and their implementation in the context of small and medium-sized enterprises in Romania in terms of the cash-flow situation. Research methodology is based on a quantitative survey carried out in order to verify the importance and usefulness of perception on the cash-flow statement. The investigation based on testing four hypotheses has been carried out within the framework of small and medium-sized enterprises in Western Romania and the categories of respondents to the study were: upper management and accounting specialists. The results highlight the fact that there are differences between the categories of users of the cash-flow statements, fact highlighted and illustrated by our findings. The article ends with the conclusions of the authors regarding the importance and usefulness of the use and implementation of the cash-flow statement of the small and medium enterprises in Western Romania.*

Keywords: financial statement; reporting; cash flow; SME; IFRS.

JEL Codes: M21, M41.

REL Codes: 14J, 14K.

1. Introduction

The purpose of this article consists in our attempt to adapt the International Financial Reporting Standards related to the importance and usefulness of the cash-flow statement of the Small and Medium-Sized Enterprises in Romania. In order to adapt IFRS, we intended to study the pros and cons for two broad categories of respondents: information users and producers of accounting-financial information. The results obtained are those that have marked the motivation to adapt IFRS concerning the cash-flow statement in SMEs in Romania.

2. Conceptual framework

The emergence of International Financial Reporting Standards (IFRS) for Small and Medium-Sized Enterprises (IFRS for SMEs) determined us to make assessments on the extent to which Romanian companies in this category are prepared for the transition to this set of standards. Unlike the case of listed companies, in 2007 the European Union stated that there is no intention to make IFRS mandatory for SMEs (Nolke, Perry, 2007). Therefore, each country will decide individually whether to adopt this standard. IFRS for SMEs will apparently have a status similar in Europe to that of the IAS-before 2004, that is, countries may allow the companies to decide if they want to use IFRS for SMEs. Before adopting IFRS for SMEs both at national and at company level, it is very important for all parties involved to be aware of pros and cons both in the view of users and producers of accounting-financial information.

From the perspective of our study, we were interested particularly in aspects related to cash-flow statements. According to IFRS for SMEs, this statement is a mandatory reporting, being part of the financial reports. The transition to the application of IFRS for SMEs involves a different way of thinking and applying of working rules and procedures at the level of SMEs. Therefore, the role of human resources with financial and accounting knowledge and specialized studies is essential for SMEs in the context of the implementation of the new accounting standards.

3. Literature review

Eierle and Haller (2009) noted that most SMEs in Germany consider that it is necessary only in a small extent or even unnecessary to provide internationally comparable financial information. Coppens and others (2007), based on the analysis of Belgian data, have shown that adoption of IFRS for SMEs will result in a need of separate financial reporting to tax authorities by

those companies that apply IFRS for SMEs. Moreover, both studies - Coppens et al. (2007) and Haller (2003) – noted that, according to experts' opinion, after adoption of IFRS for SMEs, companies' efforts for data collection and processing will probably increase considerably due to the standard's complexity.

SMEs require assistance from external accounting specialists in order to apply IFRS, which increases the implementation costs, according to Coppens et al. (2007). The relative value of these costs will be high, especially for smaller companies, according to Evans and others (2005), but the size effect is quite rare in terms of evaluation of costs and benefits of this particular accounting standard (Eierle, Haller, 2009). Thus, Eierle and Haller (2009) argue that, in comparison to larger companies, small companies overestimate the benefits of accounting standards and underestimate their costs, probably due to the lower level of accounting knowledge in small companies, according to the authors.

The usefulness and importance of operating cash-flows in comparison with revenues in respect to: Evolution of exchange rates for securities: Beaver and Dukes (1972), Pattel and Kaplan (1977), Rayburn (1986), Bowen et al. (1987), Wilson (1986, 1987), Bernard and Stöber (1989), Papilior (1995), Wang et al. (1998), Said et al. (2001); Forecast of future cash-flows: Bowen et al. (1986), Finger (1994), Krishnan and Largay (1997), Barth et al. (2001), Hussain et al. Attar (2004).

International literature (Ikäheimo et al., 2010) demonstrates that specialized finance-and-accounting personnel, who have encountered various situations in their professional career, or have even prepared cash-flow statements, are more receptive to implementing the new accounting standard IFRS for SMEs.

4. Research methodology

4.1. A new perception of the Romanian accounting practitioners' idea on financial statements?

The topic of our research is structured around the main question: "How prepared are Romanian SMEs to transpose cash-flow information into mandatory financial reporting?"

Information provided by cash-flow statements can be used to increase quality and level of financial earnings, liquidities and flexibility and they help when forecasting cash-flows. Information on cash-flows should provide better guidance on the level of a company's liquidity, because no other asset is more liquid than cash. A company's financial strength and weakness is estimated best by using a set of cash-flow ratios combined with traditional financial statements – balance sheet and income statement, according to Carslaw and Mills (1991).

The main purpose of this article is to study the opinion of the management of small and medium-sized enterprises located in Western Romania in respect to the importance and usefulness of cash-flow statements for this category of companies. This results from the fact that there are no records of the views of practitioners in finance and accounting departments in respect to this initiative.

The undertaken research focuses on the necessity, usefulness, importance and usage level of cash-flow statements in the praxis of Romanian small and medium-sized enterprises. Thus, the following questions arise:

1. How do SMEs perceive the costs and benefits of cash-flow statements included in the IFRS proposed for SMEs?
2. Are there significant differences between SMEs regarding management perceptions on cash-flow statements, depending on their size?
3. What are the difficulties of SMEs' management resulting from non-preparation of cash-flow statements?
4. How do specialized personnel who prepare financial statements perceive the usefulness of cash-flow statements?

Currently, there are no defined records of SMEs perceptions and views on adopting IFRS for SMEs and on the usefulness of cash-flow statements, feasibility and benefits of its adoption and on the difficulties faced by SMEs in implementing various accounting standards and regulations. There are significant gaps in professional literature regarding the adequacy of IFRS proposed for SMEs. Also, there is no evidence on accounting issues relevant for SMEs and this would have to be covered by IFRS for SMEs. Moreover, there is a lack of empirical evidence on costs and benefits of accounting methods based on IFRS for SMEs.

4.2. Reasons for performing an analysis of practitioners' perceptions on adopting IFRS for SMEs

According to current Romanian accounting regulations, SMEs prepare simplified financial statements, where the statement of changes in equity and the cash-flow statement are not mandatory.

IFRS for SMEs provides that, besides the company's financial position, the financial statements of SMEs also have to present fairly the financial performance and cash-flows of an entity in this category.

Before their implementation it is impossible to examine directly the effects of IFRS for SMEs. Therefore, experience of those persons with knowledge on IFRS for SMEs is useful for understanding the possible consequences of its adoption.

In Romania, the new rules on IFRS for SMEs have been submitted to the Body of Chartered Certified Accountants (CECCAR) in order to be analyzed, and its members will make recommendations and notes on the practical applicability of the new financial-accounting regulations.

Although the International Accounting Standards Board headquartered in London (IASB) has issued in July 2009 the international financial reporting standard (IFRS) for SMEs, considered that SMEs represent over 95% of all companies in the world, it seems that companies have a poor appetite for adopting international financial reporting standards (IFRS) for SMEs, according to a survey conducted by NEXIA International⁽¹⁾.

Due to recent completion of IFRS standard for SMEs, since 2009 – the year of the English version and its 2010 translation into Romanian, the case studies on the practical difficulties of SMEs in Romania are very few, and literature addresses this issue more from the theoretical point of view.

4.3. Hypothesis concerning the assessment of mentality change of Romanian accounting practitioners

In our work we started from the hypothesis that will be described below. Based on various domestic and foreign studies, which showed that the size of a company is a factor that influences its behavior in terms of preparation and dissemination of financial and accounting information (Hermann et al., 1996, Ettredge et al., 2002, Haniffa, Cooke, 2002, Popa, 2008), we considered that management of small companies have different perceptions regarding cash-flow statements in comparison with managers of medium-sized companies. Therefore, the hypotheses we start from are the following:

Hypothesis 1: There are significant size differences between SMEs in respect to management perception on cash-flow statements. Regardless of whether they have used cash-flows during their career or not, specialized personnel who prepare financial statements for SMEs are aware of their importance and of the problems faced by companies, which prepare cash-flow statements.

Hypothesis 2: The specialized personnel preparing financial statements are aware of the problems faced by companies, which prepare cash-flow statements, regardless of whether they have used cash-flow statements during their career or not. Moreover, it is presumed that specialized personnel in finance and accounting departments who prepare financial statements consider that cash-flow statements provide important financial information for improving decision-making in SMEs. Performance assessment, one of SMEs' main objectives, caught attention of many researchers. This led us to a third hypothesis:

Hypothesis 3: Specialized personnel in finance and accounting departments who have used cash-flow statements during their career consider that managers face difficulties in decision-making in the absence of information resulted from the analysis of cash-flow statements, while non-users have a different perception. Usefulness of cash-flow statements for decision-making at a company's management level is a matter that has to be taken into account by

those who prepare the company's financial statements. We assume that those respondents who have not used or prepared cash-flow statements during their careers will have different perceptions about the usefulness of this statement, in comparison to the group of those who have used and even prepared it. This is the fourth hypothesis of our study.

Hypothesis 4: Specialized personnel (users and non-users of cash-flow statements) have different perceptions regarding usefulness of cash-flow statements in providing financial information for decision-making process.

4.4. Ways and means for testing our hypothesis

Research methodology is used to obtain information for answering the questions addressed in this study. This is a heated debate in the context of socio-economic sciences for research management (Starkey, Transfield, 1998, pp. 341-353). Research is based on testing hypothesis through logical empiricism, which is a positive approach. Also, in order to analyze experience in knowledge process, we have used quantitative and qualitative methods, recommended and used by many researchers⁽²⁾, these being the most used research methods at socio-economical level.

In our study, quantitative data are collected by means of a questionnaire distributed to small and medium-sized enterprises in the Western Romania. Qualitative data were obtained by means of open questions and direct interviews with some of the finance managers of SMEs in this region.

The sample represents a group of people to which we apply a study which results in a conclusion about the entire population studied (Paul, 1979, p. 32). The sample should provide a more accurate picture as to the reference population. The sample must be obtained by application of probabilistic techniques, to be representative from statistical point of view and in terms of the theoretical analyzed problem.

The sample adopted in this paper is just one of the many methods used in data acquisition. The sample methodology is used for obtaining the opinions of finance and accounting professionals on the necessity and usefulness of cash-flow statements in management and administration of small and medium-sized enterprises.

The studied population consists of representatives of small and medium-sized enterprises (according to the definition of SMEs in Romanian legislation harmonized with European Directives) located in Western Romania, in Timiș, Caraș-Severin, Arad and Hunedoara Counties. The sample was obtained from the companies registered in the database of the Trade Register Offices of the four counties in Western Romania.

5. Results

Out of the total number of 35,204 SMEs, which were registered with Trade Register Office in 2007 in the four counties in Western Romania⁽³⁾, we made a random selection. By using a disproportionate stratified sampling technique we selected 400 companies that meet the definition of SMEs in the Romanian legislation and have an annual turnover of no more than 43 million lei. We used stratification variables for the companies' size and headquarters. We chose the disproportionate sampling technique for ensuring that all important subpopulations were represented in the sample. We used the following two size groups for selecting the sample: companies with turnover of less 8.6 million lei and companies with turnover between 8.6 and 43 million lei, respectively. The clusters for headquarters were represented by the 4 counties in Western Romania: Timiș, Arad, Caraș-Severin and Hunedoara. From each group we selected randomly a number of 100 entities. We sent questionnaires to these companies and only a number of 162 companies have returned them filled out (27%). Out of the 162 returned questionnaires, 37 were not valid because they were not complete or the companies have a turnover exceeding 43 million lei in 2009. Thus, there resulted a sample of 125 valid and usable questionnaires, and a response rate of 31.25%.

Based on the received responses and validated questionnaires, we determined the sampling error of +/- 7.28%. The sampling error or the confidence interval represents the range of values (error) for matching the percentage calculated based on the sample out of the total population.

One section presents descriptive data on examining the perceptions of respondents regarding the necessity and importance of using the cash-flow statements. Additionally, we compared opinions of persons who prepared cash-flow statements in their professional career with opinions of persons who did not use or prepare such statements, in order to determine significant differences between the two groups related to choice of preference, difficulties in implementing cash-flow statements and usefulness of information in cash-flows in the decision-making process.

Out of those who have been using cash-flow statements during their career, 9.6% said that they have only poor knowledge about its structure. Therefore, we consider that the group of persons who have used cash-flow before is better informed than the group of respondents who have not used it. 36.8% of the sample companies prepared cash-flow statements, while 63.2% of them did not. We appreciate that more than half of the SMEs do not prepare cash-flow statements.

In Romania, the General Tax Office (DGFP) is considered the main user of cash-flow statements, followed by banks and other credit institutions,

shareholders, creditors and managers. According to respondents who used cash-flow statements, all these categories have obtained an average around 2, “partial agreement”. On the other hand, those who did not use cash-flow statements are of the opinion that banks and other credit institutions, and shareholders are the main categories of users, while the General Tax Office and creditors are less interested in them, with an average of 2.74, closer to “not-interested” level. According to both groups, those less interested in cash flows are employees and suppliers, with an overall average of 4.58, respectively 4.14.

The using respondents consider that the main purpose served by cash-flow statements consists in filling out tax returns, while finding and obtaining financing ranks second in the hierarchy of purposes. Non-using respondents consider that the main purpose served by cash-flow statements consists in obtaining financing. The same group considers that cash-flow statements are necessary for transactions with clients and suppliers. We consider that the average obtained by this statement (average=1.65) is the result of a misunderstanding of the question. Both groups consider that preparation and usage of cash-flow statements does not lead to better relationships with employees. Furthermore, the respondents were asked to indicate their opinion regarding the choice for the preparation and use of the cash-flow statement in decision-making at the enterprise level or giving up of that statement.

A comparison between respondents who have prepared and used cash-flow statements in their professional career and those who did not use them shows that most of those who have used such statements (81.6%) consider it is appropriate and useful to prepare those (76%), and only 5.6% of them chose to give up preparation of such statements. The group of subjects who did not use cash-flow statements represents 24% and all of them consider that it is not necessary to prepare them. The responses suggest that those who know the cash-flow statements are aware of their importance and necessity. To get a conclusive answer as to the reasons for the choice between the two options, respondents were asked to indicate the extent to which support certain statements.

The questionnaire asked respondents to express their views on the main grounds of their preference. Respondents who prefer using cash-flow situation for reporting cash payments to SMEs and have good reasons for their choice.

The group of those persons who did not use such statements has invoked “costs with acquisition of appropriate software” and “costs with financial and accounting consultancy” as the reasons that make them unwilling to use cash-flow statements. The two statements have an average of 1.35, and 2.04 respectively, for this group. Respondents have established that the most important problem faced in preparation of cash-flow statements consists in “a low degree of acceptance from

the side of managers and shareholders in respect to the cost-benefit ratio of preparation compulsoriness”, with an average of 1.84.

Also, issues have been considered as well "the low level of understanding of the terminology" with an average of 2.30 and the “low level of understanding (by some categories of users) of the method of making such statements” with an average of 2.33.

As regards the groups of users and non-users, respondents who used cash-flow statements consider that the most important problem regarding the use of cash-flow statements consists in the fact that managers and shareholders do not accept the cost-benefit ratio in terms of compulsoriness in the preparation of such statements (an average of 1.68). The difficulties related to the preparation of the cash-flow situation and understanding of terminology are also regarded as obstacles in developing cash flow picture for this category of respondents, with the average of 2.16, respectively 2. 24.

In terms of perception, those respondents who have not used cash-flow statements share almost the same opinion like those who have used such statements. They invoke especially the first problem: “low acceptance degree from the side of managers and shareholders in respect to the cost-benefit ratio of preparation compulsoriness”, with an average value of 2.57 and the second one “low understanding of terminology”, with an average value of 2.57.

In order to assess the necessity and usefulness of cash-flow statements in the decision-making process, respondents expressed their opinions on the difficulties faced by management in the absence of relevant information that might result from the analysis of cash-flow statements.

6. Findings

After processing the data, we can say that respondents consider that in the absence of information provided by cash-flow statements, the managers will not be able to “understand the causes of different cash-flow sizes” and they will face the “impossibility of performing an evaluation of the company’s capacity to generate cash and cash equivalents from operating, investment and financial activities”, these being the most important difficulties, with an average of 1.53, respectively an average of 1.76. At the same the respondents consider that the lack of information resulting from the analysis of the cash-flow leads to “incorrect assessment of liquidity and solvency amendments” and “surprise financial information to users of the enterprise to knowing the meaning of differential cash-flow generated by the three categories of activities” of the enterprise.

As regards the differences between the two groups, those who have previously used the cash-flow statement are those who appreciate the

difficulties referred to in the same trend with the entire sample, while the group of those who have never used the cash-flow statement considers that greatest difficulty of managers is “surprising the users of financial information of the enterprise in terms of knowing the meaning of differential cash-flow generated by the three categories of activities” the average of this aspect being 2.13. The other three difficulties recorded an average of around 3 “Regardless” and standard deviations ranging between 1.166 and 1.905.

We concluded that respondents agree that “cash-flow statements are necessary for planning and management of future financial engagements”, with an average of 1.63. Also, they agree with following assertions: “cash-flow statements provide additional information for financial analysis” and “cash-flow statements serve financial informational needs for assessing performances in a manner more close to reality”, with averages of 1.83 and 2.25. “Cash-flow statement serves to examine the relationship between profitability and net cash flows and impact of price changes” and “investor is required to assess financial performance in conjunction with economic performance highlighted by account” are assertions which have obtained an average of 2.78 and 2.85. Nearly 70% of respondents acknowledge the usefulness of cash flow statement, with a rating of 5 “total disagreement” assertion, “the cash flow statement presents no utility to SME”, which has accumulated an average of 4.3.

Many of the respondents partially disagreed in respect to assertion “cash-flow statements serve for comparing operating results of various companies, because they eliminate the effects of applying different accounting criteria for the same types of transactions and events” (average 3.68), considering that, in the absence of such statements, operating results of various companies can be compared only based on information included in the income statement. In the same time, respondents showed no interest with respect to usefulness of cash-flow statements for “company’s evaluation based on forecasts for a wider time horizon” and “assessment of the extent to which previous assessments correspond to cash-flows determined at a certain moment in time”, which shows that interviewed respondents did not encounter such statements, and the two assertions obtained averages close to “not-interested”, of 3.25, and 3.21 respectively.

We also highlight that respondents of the two groups do not have similar opinions in respect to most of the assertions. Unlike the respondents who used cash-flow statements, those who did not use them are not so decided in respect to their usefulness, the average of the group who did not use cash-flow statements being of only 3.74 and the standard deviation of 1.514. These respondents have an opinion close enough to “not-interested” and “strongly disagree”, which makes us assert that probably they do not have sufficient

knowledge and expertise for issuing resolute judgments about subtle aspects related to cash-flow statements.

Based on various domestic and foreign researches, which showed that company's size is a factor that influences its behavior in respect to preparation and dissemination of financial information, we considered that small companies' management have different perceptions on cash-flow statements in comparison to medium-sized companies' managers.

The results of the Kruskal-Wallis test applied to the two groups of companies – companies with turnover of less 8.6 million lei and companies with turnover between 8.6 million lei and 43 million lei – show that for certain assertions there are differences between the two groups, and for other assertions the respondents have the same opinions, regardless of the company's size (identified in Table 1). On the whole for assertions tested for 13 claims there are no differences, and for 15 claims there are differences between small and medium-sized enterprises.

Table 1

Kruskal-Wallis test results on the existence of disparities in size between SMEs on perceptions their leadership on the cash-flow statement

Affirmation	(Chi-square)	p-value
2.4 The objectives of the cash-flow statement		
Better management of business enterprise	29.383	0.000*
Finding and obtaining financing	29.278	0.000*
Better relations with employees	11.052	0.001*
2.8 Additional costs on cash-flow board		
The cost of training staff in the Finance-Accounting Department	5.560	0.018*
The cost of acquisition of appropriate computer software	5.082	0.024*
Cost with Financial-Accounting Consulting	21.930	0.000*
2.9 The problems encountered by the companies that developed the cash-flow board occurring inside the entity		
Problems with the adaptation of informatics systems	6.283	0.012*
Problems with the introduction of the new accounting treatments and evaluation criteria and recognition of balance sheet items	23.702	0.000*
A low degree of acceptance by the managers and shareholders of the cost-benefit ratio in the obligation arising from	4.210	0.040*
2.10 Management difficulties in the absence of relevant information which might come off from the analysis of flows board		
The surprising of the accounting information to users of the enterprise to knowing the meaning of differential cash-flow generated by the three categories of activities	10.872	0.001*
3.1. Usefulness of cash flow statement in the decision-making process		
The cash flow statement serves the needs of financial accounting information in order to assess performance in a manner more suited to reality	6.560	0.010*
The cash flow statement is required for the planning and management of future financial commitments	9.279	0.002*
The cash flow statement can be used in the assessment of the undertaking on the basis of forecasts on a larger time horizon	4.462	0.035*

* indicates the level of significance of the Kruskal-Wallis test at significance of p-value of 0.05 or greater.

We can appreciate that there are more differences than similarities between size-based SMEs about their perceptions of the management with regard to the cash-flow statement. Therefore, it can be concluded that the hypothesis 1, related to existence of disparities on the basis of size between SMEs on management perceptions concerning the cash-flow statement, is partially confirmed because the significance which comply with the condition $p < 0.05$.

Kruskal-Wallis non-parametric test was developed for opinion testing respondents in the two. Given that the value of p (Asymp Sig.), it is only in two cases less than the maximum value of 0.05, as it can be concluded that the hypothesis 2 is not confirmed but only partially. The majority of respondents confirmed that there will be no problems encountered by companies that developed the cash-flow board.

Investigation of the analyzed variables for checking of hypothesis 4 as regards the preconditions of normalcy dispersion, linearity and homoscedasticity led to results that did not allow the application of parametric tests. Therefore to verify the hypothesis 4, Kruskal-Wallis non-parametric test was used. Kruskal-Wallis test values and level of significance, p -value, are presented in Table 2.

Table 2

**Kruskal-Wallis test results concerning the utility
of the cash-flow statement**

Advantages	(Chi-square)	p-value
1. The cash flow statement provides information for financial analysis	24.076	0.000*
2. The cash flow statement serves the needs of financial accounting information in order to assess performance in a manner more suited to reality	61.981	0.000*
3. The cash flow statement is required for the planning and management of future financial commitments	90.204	0.000*
4. The cash flow statement is necessary for investors to assess financial performance in conjunction with economic performance highlighted by results account	19.701	0.000*
5. The cash flow statement can be used in the assessment of the undertaking on the basis of forecasts on a larger time horizon	10.844	0.001*
6. The cash flow statement serves to compare the results of different mining companies because it eliminates the effects of the application of different criteria for different kinds of accounting transactions and events	7.404	0.007*
7. The cash flow statement can serve the appraisal that previous assessments meet the cash-flow recorded at a time	5.324	0.021*
8. The cash flow statement serves to examine the relationship between profitability and net cash flows and impact of price changes	28.906	0.000*
9. The cash-flow statement has no utility for SMEs	6.454	0.011*

* indicates the level of significance of the Kruskal-Wallis test at significance of p -value of 0.05 or greater.

Hypothesis 4 refers to the usefulness of the cash-flow statement as perceived by the staff responsible for the preparation of the financial statements. For examining the differences between the perception of the staff who used and the staff who have never used the cash-flow statement, the exposed poll gave the possibility of expressing the new options in the pre-identified benefits. The Kruskal-Wallis test applied presents the obtained results in Table 2 identifying that Chi-square has significant value in all cases, the first places just assertions: "Cash-flow statement is required for the planning and management of future financial commitments" (Chi-squared = 90.204, $p = 0.000$), "the statement of cash flows information financial accounting serves the needs for assessing performance in a manner more suited to reality" (Chi-squared = 61.9814, $p = 0.000$), and "Cash-flow statement serves to examine the relationship between profitability and net cash flows and impact change in prices" (Chi-28.906, square = $p 0.000$).

Therefore, hypothesis 4 in terms of usefulness and advantages of the cash-flow statement in the opinion of specialists interviewed is confirmed.

The results obtained from test hypotheses are presented succinctly in Table 3.

Table 3

**Comparative analysis of hypothesis: users and non-users
of the cash-flow statement**

Hypothesis		Results
Hypothesis 1:	There are significant differences on the basis of size between SMEs on their perceptions of the management with regard to the cash-flow statement.	Partially confirmed
Hypothesis 2:	Expert staff who prepare financial statements is aware of the problems encountered by the companies that developed the cash flows board, regardless of whether or not he used throughout his career of cash flows board.	Partially confirmed
Hypothesis 3:	Opinions of specialist personnel in the field of financial-accounting domain of the professional career of the bigger cash flow statement believes that managers have difficulty in the decision-making process in the absence of information resulting from the analysis of the cash-flow statement, while non-users have a different perception.	Confirmed
Hypothesis 4:	Expert staff (users and non-users of cash flows statements) has different perceptions regarding the usefulness of the cash flow statement in the provision of financial information for the decision-making process.	Confirmed

7. Conclusions

This study aimed at testing the addressed assumptions by means of statistical parameters, based on the theory related to the debate regarding the application of cash-flow statements by SMEs. International professional literature presents different opinions on the feasibility of applying cash-flow

statements and relevance of financial information provided by them for decision-making. A number of studies have suggested that specialized personnel who applied cash-flow statements are more responsive to changes implied by their application, than personnel who did not use such statements. Thus, we used the quantitative approach (questionnaire) in order to shape viable research tools for examining the construction of this study. The methodological research focused on the staff in the companies' finance-and-accounting departments, in order to collect data required for obtaining the main results of this study. The results show that there are differences between the opinions of specialized personnel in finance and accounting departments who have used cash-flow statements before and those who have not used such statements in respect to the difficulties faced and the usefulness of financial information provided for the decision-making process. The results reveal that there are differences between the views of the specialized personnel of financial departments who may use the cash flow statement and one that has never used these statements, the difficulties encountered and the usefulness of financial information provided in making decisions.

Notes

- (1) NEXIA International is a global network of independent audit firms, accounting and consultancy with offices in over 100 countries, which at the end of 2009 has carried out a survey among its members on their views regarding the adoption of the IFRS for SMEs.
- (2) The National Institute of public opinion polling and Marketing (INSOMAR) (2006), qualitative Analysis, studies prepared by INSOMAR, available online at: www.insomar.ro, accessed date: 27.07.2006.
- (3) See CNIMMM (2007), White Book of SMEs.

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