

THE ACCOUNTANT INFORMATION. DEMAND AND OFFER

Assistant Irina CHIRI

"Stefan cel Mare" University, The Economy and Public Administration Faculty, Suceava, Romania

irinachirita@seap.usv.ro

Assistant Ioana ZAHEU

Romanian American University, Bucharest, Romania

ioana.zaheu@gmail.com

Abstract:

The present paper is trying to correlate what Demand and Offer mean, from the economical point of view, which in the end tends towards the demand and offer of the accountant information.

The objective of the demand and offer of accountant information is to promote an efficient financial communication, objective that might be reached through the confrontation of the informational offer with the user's demand.

The information given by the enterprises are the basis of numerous economical and political decisions of a considerable importance, reason for which the elaboration of the production rules and the release of the accountant information interests a large group of users.

The paper is structured on two important parts The Demand of accountant information: users, hierarchy, informational needs; and The Offer of accountant information, who is giving us the necessary accountant information inside an organization. The offer of accountant information debates the objectives of the synthesis documents and makes suggestions regarding the information that should be released to allow an efficient accomplishment of these objectives.

The end of the paper represents the conclusions of the study, conclusions that point out the necessity of accountant information for all the users, whether they are external or internal user.

Key words: demand, offer, demand of accountant information, financial analysts, creditors

INTRODUCTION

The information released by the enterprise is the basis for numerous economical and political decisions of a considerable importance. For this reason, the elaboration of the production rules and the release of the accountant information interest a large group of users. The objective of the demand and offer of accountant information is to promote an efficient financial communication.

The problem of the financial communication is that of deciding which the minimum of information that must be included in the synthesis documents. Solving this problem depends on finding pertinent answers to these questions: Who are the users of the accountant information? What are their informational needs? How do they use the accountant information? What are the rights of different users in attaining the accountant information?

THE DEMAND OF ACCOUNTANT INFORMATION

The relationships of an economical entity with the economical environment from which it comes give birth to several informational needs. Satisfying these needs translates itself in the necessity of producing relevant and objective information. The accountants are those who must see to the producing of this information which must respond to the needs of different users. Otherwise, the trust in the methods they use and towards the competence of the accountant professionals diminishes.

Regarding the different categories of users of the accountant information, the accountant doctrine offers a lot of point of view influenced by the cultural, economical, political and juridical environments.

The American Normalization Organism - FASB, although admits the existence of more than one category of users of the accountant information, adopts a restrictive vision, by giving privileges

to the investors and creditors. Regarding the internal users of the accountant information, represented here by managers and administrators, the need of accountant information appears because of the fact that they request supplementary information as to those made public, the managers and administrators having the obligation of assuring coherency between the external information and the supplementary information of which they dispose of.

About the external users, we can say that they don't represent an omogen category. Thus, there are external users, that dispose o the power and resources necessary to be able to impose the nature of information that is communicated to them (for example the administration through its tax collectors, credit institution, important suppliers) and external users that don't dispose of sufficient power and resources.

The accountant information must be easy to understand for those users that do not have sufficient knowledge regarding business and economical activities, but never the less want to study this information. "The accountant information is an instrument, and like most instruments it can not be of a direct usefulness to those who are incapable or willing to use it. The technique of using the information can be taught, which means that the financial statements could give out useful information for all those willing to learn how to use them".

The experience of some countries shows that unbalances in satisfying the demand for financial information, in the exclusive benefit of a certain group, incites other groups to exercise pressure on satisfying their needs as well. For this reason, the past few years, the accounting normalization organisms are demonstrating more flexibility in the making of the privileged users list. It is the case of France, who included the personnel, of Germany, who included the ecologists, and of Canada, who included the category "other third persons".

Regarding the internal users, they must not enjoy a privileged status, because they don't use the accountant information for primarily administration purposes, but for communication. Exceptions are the managers of small and middle enterprises, for which, in the absence of the administrative accountancy, the accountant information is extremely useful in the decisional process.

The conceptual accountant environment of the International Accounting Standards Committee (IASC) states the satisfaction of the informational needs of a multitude of categories of users: share holders, financial analysts, creditors, employees, clients, managers and audience.

The share holders are the ones that wish to measure the ratability and the risk of the investments, according to which they will take the decision of maintaining, increasing or decreasing their shares. Knowing the financial situation of an economical entity requires accurate synthesis documents which will reflect a correct image. For this reason, the quality of the financial and accountant information is in the centre of the share holders' attention. Concretely, the share holders are interested on the enterprises capacity to generate future benefits. The notion of capacity to generate future benefits refers to the measure in which the economical entity will adopt a strategy with the purpose of converting the benefits into liquidities. Although the share holders may seem the first victims of self-financing, in reality, its growth contributes to the growth of the net actives and of the theoretical value of the shares, which might lead to a growth of the stocks on the share's value on the market or a free distribution of shares. Thus the share holder recovers through capital the part that he has lost in dividends.

Another preoccupation of the share holders is the risk. According to the financial theory, the total risk of an active is composed of: specific risks, which doesn't depend on the specific characteristics of the title, and systemic risk, which measures the sensibility of the title to the markets fluctuation. On a balanced market, only the systemic risk is remunerated.

The share holders differ in regards to their capacity of interpreting the accountant information. Thus, the demand of the professional investors is different from that of the unprofessional investors.

The investor adopts a passive or active strategy. Usually, the passive investor buys a diversified portfolio, which he holds on to until the liquidation on consumption reasons, without being interested, during the ownership, about specific accountant information. On the contrary, an

active investor searches for information which will allow him to anticipate the fluctuations in the market value of the shares, and the development of a speculative commerce.

Regarding the financial annalists, they can be seen as an "enterprise" that produces analyzes and interpretations. The financial annalists are the ones that take the brut information and transform it into another kind of information, which reflects their ability to understand, synthesize and interpret the information as prime materiel. The financial annalists do not represent a group; they are similar to economical and financial journalists. The economical journalist practices in a general information support and is defined as a field journalist, whose mission of economical and financial information obligates him to make his writings legible to any person who owns a portfolio and for any potential share buyer.

Also interested on the demand of accountant information are the creditors, which as third parties that give loans (financial resources) to the entity, for a pre-established period of time, in exchange of a fixed remuneration from it, called an interest, and with the obligation from it to refund the amounts received, usually by installment, until a known date named time limit.

Regarding the suppliers, their main interest is that of appreciating in what measure the entity will be able to fulfill its financial obligations.

Employees are another category of persons interested on the financial and accountant information, them wanting to have access to the "counts" of the entity. Their wish might be motivated in more than one ways: the accountant information are relevant in order to appreciate the future perspective of the firm, of the security of their work places and of the validity of their retirement plans; accountant information allow the appreciation of the fairness of the salaries paid by the entity; information helps increase employees involvement in the firm's activity and its work interest; information is a natural right of the employees.

The problem of the accountant information released to the employees has not made the object of special attention, and in consequence there are few things known about the special needs of this particular group. Macintosh mentions that the reasons for which they proceed to the information of the employees are: improving the relationship between managers and employees, proves the openness of the administrative approach and creates the necessary conditions for the employees to understand the business of the economical entity.

The managers are the main category of users of accountant and financial information. Their informational needs are covered, in essence, by the unpublished reports.

These reports are made, in general, on the basis of administrative accountancy information as well as on the financial accountancy information. The more the activity of the economical entity is more complex and divers, the more the managers need additional information. Also the nature of the economical activity of the entity affects the informational needs of the managers. Managers use the information from the synthesis documents not in order to make decisions regarding administration, but in order to communicate.

According to Foster, the demand of accountant information depends on its potential to reduce uncertainty and on the availability of other sources of information.

Regarding the potential of the accountant information to reduce uncertainty, there are some uncertainties regarding the future profitability of the firm, the quality of management, the capacity of a third party to fulfill its contractual obligations.

The availability of other sources of information refers to the fact that accountant information is not the only source available of information for the groups of users. There numerous ways of monitoring the activity of the economical entity and of the managers. Thus, CEEO, creditors and financial annalists can supply information on the activity of the economical entity.

THE OFFER OF ECONOMICAL INFORMATION

The offer of accountant information depends on many factors among which also the size of the economical entity. Numerous arguments favor the existence of a positive relationship between the size of the enterprise and the volunteer publication of the accountant information, arguments

that can be presented as costs and advantages. Regarding the costs, their importance usually decreases as the size of the economical entity increases. Thus, on one side, the publication of detailed information is less expensive for large entities, because they have already accumulated this information for internal use. On the other side, small entities have a reduced capacity to react against competition, and in consequence the release of "sensible" information situates them in a disadvantaged competition.

The financial statements are the result of the interaction of three main groups: economical entities, the users of information and the accountant profession. The economical entity is the prime group involved in the accountant process. They are not just subjects of whose activities are the object of financial information, but also the only supplier of financial statements, without the approval and action, it wouldn't be possible for a third person to release synthesis documents with a satisfying degree of relevance.

The users represent a group, whose needs and interests influence the production of accountant information.

A question to which we are trying to find an answer in the following is: Are the synthesis documents useful?

The economical entities are obligated to make and release a set of synthesis documents of which is said to be useful to the external users.

In the following we set as objectives to verify if the external users can analyze, on the basis of the released information: the profitability, the liquidity and solvability of an economical entity. The information from the synthesis documents must be used in correlation to the following factors: the size of the enterprise; the economical, social, political and cultural environment, the risk of the business, the tendencies of the fielding which the economical entity is acting.

Treated from a general perspective, both the offer and the demand of financial and accountant information are two much debated problems lately from the following perspectives: who are these users of accountant information? What are the synthesis documents that offer information to the users? To these two aspects the present paper has tried to find answers to, in order to clarify them.

CONCLUSION

This article wants to present the offer of economical information and the demand of accountant information, that are very important for one organization. The users of offer and demand are present in this article, their importance and place. It is important for one organization to know internal and external users, what information they need and what they can obtain in a organization. It is important also offer of economical information to be real, and also the information itself it's important and we need to know this aspect.

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