Ministry of Education and Science of Ukraine
Sumy State University
Academic and Research Institute of Business, Economics and Management
Lovely Professional University

Financial Markets, Institutions and Risks

Proceedings
of the International Scientific and Practical Online-Conference

(Sumy, November 20-22, 2021)

Sumy
Sumy State University
2021

330.3:005(063)
S62

Approved by the Academic Council of Sumy State University
(protocol № 4, 16 December 2021)

S62S Financial Markets, Institutions and Risks: Proceedings of the International Scientific and Practical Online-Conference, Sumy, November 20-22, 2021 / edited by Prof., Dr. Vasilyeva Tetyana. – Sumy: Sumy State University, 2021. – 76 p.

The Proceedings contain the abstracts of the International Scientific and Practical Online-Conference "Financial Markets, Institutions and Risks" (Sumy, November 20-22, 2021).

For scientists, scientists, students, graduate students, representatives of business and public organizations and higher education institutions and a wide range of readers.

330.3:005(063)

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CONCEPT OF CREATIVE ACCOUNTING

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Recent economic failures have created various credibility concerns concerning accounting as an authenticating system and the accuracy of its reports in making optimal management and investment decisions. Enron, WorldCom, BCCI, Robert Maxwell Pension Funds, Global Crossing, Adelphia, Tyco, and Arthur Andersen, one of the "Big Five" accounting firms, are all examples of companies that went bankrupt (Ramly and Rashid, 2010, McColgan, 2001, Khan. et. al, 2011 and Heath and Norman, 2004). These incidents demonstrate beyond a shadow of a doubt that the financial reports presented to the public by management and confirmed by auditors were a misrepresentation of the firms' true financial status. The accountants, managers, and auditors are charged with manipulating, distorting, and misrepresenting facts and figures in order to create fictitious outcomes, as well as overlooking such misrepresentation in order to offer a clean opinion to such management. Many studies have been undertaken on these 'creative' accounting techniques, their manipulations, re-representations, and reasons in the middle of these crises and corporate failures, and the resulting loss of reputation for the accounting profession (Beshiru & Izedonmi, 2014, Fizza & Qaisar, 2015).

Given how firmly established the techniques are and who gains the most, few practitioners are pessimistic about finding a solution to these manipulations. As a result, it's important to figure out how much of a negative impact this "creativity" has on accounting reports. The worsening of this degradation is the driving force for this study. It aims to emphasise the need of understanding the motives for negative creativity and determining the direction and degree of activities required to stop it from infiltrating the economic lives of businesses and its stewards. To that end, the study aims to investigate the concept of "creativity" in creative accounting, as well as the motivations for such creativity and their implications for the enterprise's health. It also aims to determine the impact of such benefits in encouraging more negative creativity, as well as to identify other complementary variables that encourage facts and figures manipulations and misrepresentations, and to propose possible strategies to reduce or control their spread. As a result, the purpose of this research is to look into the impact of innovative accounting techniques on the rate of business failure around the world. Its goal is to see how much inventive accounting procedures boost the rate at which businesses around the world fail.

The Concept of Creativity. Accounting is one of a company's most fundamental functions. Both management and decision-makers outside the organisation rely heavily on the financial data it delivers. Financial reporting's primary goal is to present a fair and impartial picture of the business to all interested parties. This frequently results in a conflict of interest. On the one hand, investors demand dependable and trustworthy financial data in order to make informed judgments. On the other hand, corporations that, in order to attract investors, are resorting to unethical methods of creative accounting, or earnings management, as a result of increased competition and economic conditions.

Creative accounting is a methodology for erroneously creating or interpreting accounting regulations with the goal of misusing accounting techniques and standards defined by accounting bodies. The goal of this type of business strategy is to gain money by not revealing exact data. The word "creative accounting" does not appear in any accounting rules or regulations, nor are the processes for its use specified. It's an attempt to take advantage of flaws in our accounting system as well as our audit system once the accounts are closed. Companies sometimes make loans to their known persons to deliberately hide the transactions performed during the year or increasing the usable life of an asset arbitrary to get rid of the greater depreciation charged, are some of the examples of creative accounting.

Overview of recent research. Many aspects of creative accounting have been studied in past study, according to Bhasin (2016), but no one has looked at what the people who prepare financial statements, as well as their users, think about it. Based on this, a survey in India revealed that most respondents feel creative accounting has negative consequences on financial reporting and is difficult to detect. Nonetheless, there are differing views on whether creative accounting is legal. Karim et al. (2016) performed a survey to determine whether there is a gap between accounting and auditing perceptions of creative accounting, as well as potential regulatory remedies in Bangladesh. According to the report, there is no need to penalise either auditors or accountants who use creative accounting. Accountants are the sole employees of the organisation who obey management's orders. As a result, if management mandates that financial statements be prepared in a specific way, accountants will prioritise retaining their jobs and will adhere to the instructions.

Mindak et al. (2016) investigated whether companies utilise creative accounting techniques to meet analyst forecasts and outperform the previous year's earnings, and whether the market rewards or punishes such manipulations. According to the report, all the companies who were able to achieve the targets did so by employing inventive accounting practises to artificially boost profitability and were rewarded by the market for doing so. Companies that managed earnings to cut them to the point where they barely met the specified goals, on the other hand, were not rewarded. As a result, organisations that aim to maintain the same level of earnings over time are not regarded "excellent" because they do not outperform the market.

The relationship between the audit committee and audit quality, as well as the practise of earnings management, has been explained by Inaam and Khamoussi (2016). The primary goal of corporate governance in financial reporting is to ensure that accounting rules are followed and that financial statements are accurate and trustworthy. As a result, excellent corporate governance should ensure that effective controls are in place and that unethical managerial behaviour is avoided. Although quality corporate governance, audit committees, and quality audit implementation are thought to influence the limited use of various earnings management approaches, this study found a negative link between earnings management and practise.

According to Shahid and Ali (2016), creative accounting has a substantial impact on Pakistan's fair and objective financial reporting. It is vital to emphasise corporate governance and the strengthening of ethical standards in order to prevent financial information manipulation. In a good sense, the limited and modest use of creative accounting should have no impact on the quality of financial reporting.

Because most of the research in the topic of creative accounting focuses on how it affects company, Goel (2017) investigated the influence of creative accounting on stock market pricing. The findings revealed that firms utilise accruals to manipulate financial data, most frequently during periods when financial markets are apprehensive about a company's future commercial prospects.

Motives for applying creative accounting:

- personal gain
- competition
- recruiting investors
- raising or preserving capital
- buying time to avoid paying debts
- outperforming experts' predictions about future firm performance

Creative accounting techniques:

- changes in accounting rules and depreciation procedures
- manipulation of other income and cost items
- changes in the value of money
- overestimation of revenues through the recording of phoney sales revenues
- manipulation of receivables write-offs
- manipulation of accruals

Techniques for preventing creative accounting:

- accounting standards adaption in terms of reduced use of guesses and consistency in accounting procedures application.
- acknowledging and emphasising the need of internal and external audit in detecting and reporting erroneous estimates and preventing accounting fraud.
- From one accounting period to the next, the audit service providers may change.
- appointing independent directors and audit committee members
- putting in place strong corporate governance controls

- the company's commitment to creating a whistle-blower policy
- reiterating the code of ethics to employees on a regular basis
- emphasising the creation and application of forensic accounting
- informing investors about the practise of altering financial data
- ensuring that fines are consistently enforced by national authorities.

Conclusion. The primary goal of financial reporting is to present a fair and impartial picture of the company while taking into consideration basic accounting principles and assumptions. Accounting standards, on the other hand, frequently enable and require various accounting guesses, which can lead to financial data manipulation. Creative accounting is a type of accounting that allows a corporation to divert its profits and revenues for the year while still adhering to the norms and regulations. It is a skill that is utilised by specialists to manipulate a company's accounting. Any questionable item should be questioned by management, and if the management is unable to respond, the investor should not invest in these bogus companies. Finally, while creative accounting cannot be totally eliminated, it can be minimised through the employment of various techniques.

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