

SUMMARY

of the doctoral thesis entitled:

RESEARCH ON THE USE OF CREATIVE ACCOUNTING IN THE ROMANIAN ACCOUNTING ENVIRONMENT

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Creative accounting involves the use of accounting techniques and procedures within legal limits, but applied in a flexible and ingenious way, with the aim of presenting a more favorable financial picture of a company.

Analyzing this concept allows understanding its impact on trust in financial reporting and investment decisions, but understanding creative accounting practices enables both professional accountants and users of financial information to identify potential risks and make informed decisions, contributing to growth transparency and responsibility in the business environment.

Through this doctoral thesis entitled ***RESEARCH ON THE USE OF CREATIVE ACCOUNTING IN THE ROMANIAN ACCOUNTING ENVIRONMENT*** I tried to identify both the techniques used and the effects that their application has on the transparency and trust in the financial information presented by companies in general, particularizing the case study for agricultural companies in Romania.

The objectives of the research on creative accounting were to: identify and understand the methods and techniques used in the application of these practices, to highlight the way in which companies manipulate financial reports within legal limits; evaluating the degree of understanding and knowledge of the concept of creative accounting by entrepreneurs and users within agricultural companies, to determine if they are aware of the practices and implications of this phenomenon; investigating the attitudes of entrepreneurs and users within agricultural companies towards creative accounting; identifying the reasons that could influence users to turn to creative

accounting; analyzing how the perception of creative accounting influences the business decisions of entrepreneurs; the formulation of recommendations that contribute to the understanding of the concept of creative accounting by entrepreneurs and users, the risks it entails, but also to improve regulations and accounting standards, so as to reduce the possibility of manipulation of financial data and to ensure more transparent and fair financial reporting.

The original and original contribution of this research is represented by the analytical analysis of how creative accounting is used as a tool in business decision-making, highlighting how it influences the planning, financing or expansion of a business. Also, the creation of a research design represented by the questionnaire measuring the perception of users and entrepreneurs within agricultural companies regarding creative accounting, but also of a model based on a set of economic indicators to help identify the risk of manipulation and use of creative accounting techniques.

The thesis is structured in 7 chapters, including conclusions and proposals, bibliography and appendices.

Chapter 1, entitled **THEORETICAL CONSIDERATIONS REGARDING CREATIVE ACCOUNTING** provides a detailed theoretical foundation on creative accounting, starting with the definition and delimitation of this concept in relation to accounting fraud and accounting errors. The origins and evolution of creative accounting are explored, along with the multiple definitions and approaches in the literature, highlighting the complexity and diversity of how this practice is perceived and applied.

Continuing, the chapter analyzes the importance and role of creative accounting within companies, emphasizing the motivations behind the use of these techniques and their impact on financial reporting. The legislative and regulatory context, both nationally and internationally, is presented, with an emphasis on regulations that attempt to limit creative accounting practices, including IAS/IFRS standards, and the role of professional ethics in holding accountants accountable.

In the final part, the chapter addresses the different perspectives on creative accounting, including views for and against, and researchers' views on the legitimacy and morality of these practices. We also analyzed the impact of creative accounting on investor confidence and financial markets, highlighting how these practices can influence external perception of a company and the stability of markets. This section provides an overview of the complexity and controversy surrounding creative accounting in the modern context.

Chapter 2, entitled **ECONOMIC THEORIES RELATING TO CREATIVE ACCOUNTING** starts from the conceptualization of this phenomenon and analyzes the relevant economic theories that help to understand it. The chapter details the principles and methods of creative accounting, including the techniques used to manipulate financial results through recognition and valuation. These techniques are presented in the context of different types of accounting manipulations, highlighting how creative accounting can affect financial reporting in various economic sectors.

Next, the chapter classifies the typologies of creative accounting, providing classification models and practical examples from different industries. We have presented various associated economic theories, such as agency theory, signaling theory, and behavioral theory, which explain the motivations and implications of using these practices within firms. In addition, we analyzed the determinants of the use of creative accounting, both internal (management pressure, ownership structure) and external (accounting regulations, economic context), emphasizing the role of auditors and capital markets in detecting and preventing these practices.

Finally, the chapter presents the long-term implications and consequences of creative accounting on firm value and performance, analyzing the impact on information transparency and associated risks, including volatility in the context of creative accounting practices. The studies and predictive models analyzed in this chapter show how the use of creative accounting can influence the financial stability of firms and the perception of financial markets, highlighting the need for adequate supervision and effective regulations.

Chapter 3, titled **PURPOSE, OBJECTIVES AND RESEARCH METHODOLOGY** starts from defining the main objective, namely understanding the role of creative accounting and the perception of entrepreneurs and users on it. The research aims to highlight how creative accounting influences business decisions, the level of knowledge of entrepreneurs in relation to these practices, as well as the factors that motivate their use or avoidance. Through this approach, the aim was to provide a clear picture of how creative accounting is perceived and applied in the current business environment, particularizing for agricultural holdings in Romania.

The methodology was based on a combined approach that included three main components: the literature review, the application of a questionnaire and the statistical analysis of the collected data. The literature review provided me with a theoretical understanding of the concept of creative accounting, the reasons behind its use, as well as the impact on financial performance and business ethics.

The questionnaire applied to entrepreneurs and other users in the agricultural field measured the perceptions, level of knowledge and attitudes towards creative accounting. Finally, the data obtained were subjected to a statistical analysis, which allowed me to identify correlations, trends and determinants in the perception of entrepreneurs, thus providing relevant and well-founded conclusions for the entire study.

Chapter 4 entitled **BIBLIOMETRIC ANALYSIS OF THE SPECIALTY LITERATURE REGARDING THE USE OF CREATIVE ACCOUNTING TECHNIQUES** had the role of identifying and understanding the evolution and trends of this field in the specialized literature. Through bibliometric analysis, we highlighted the main works, authors, journals and countries that have significantly contributed to creative accounting research. Also, this chapter allowed me to identify collaboration networks between researchers and connections between different studies, contributing to highlighting the main themes and topics addressed in the context of creative accounting, which

added value to the research by providing a complex perspective on the specialized literature, better substantiating and contextualizing subsequent conclusions and recommendations.

Chapter 5 entitled ANALYSIS OF THE PROFILE OF AGRICULTURAL COMPANIES IN ROMANIA IN THE GENERAL CONTEXT allowed me to present the way in which the economic environment developed during the period 2013-2022. This chapter sought to highlight the specificities of agricultural companies in terms of structure, size and financial performance, but also the way in which the agricultural sector contributes to Romania's economic development. Different statistical indicators were used, such as Min, Max, Absolute deviations, Growth rate, Coefficient of variation that contributed to an objective and informed evaluation of this activity sector, with an important role for Romania's economy.

Chapter 6 entitled **CASE STUDY ON THE PERCEPTION OF AGRICULTURAL ENTREPRENEURS ON THE IMPLICATIONS OF USING CREATIVE ACCOUNTING** sought to identify the level of knowledge, attitudes and motivations of agricultural entrepreneurs in relation to these practices, highlighting the extent to which creative accounting influences business decisions, financial reporting and their ethical behavior.

The importance of this chapter lies in the fact that it provides a practical and real perspective on how creative accounting is perceived and applied in the agricultural sector, which provides valuable information for the development of policies and strategies to promote fair and ethical financial reporting in agriculture.

Sampling involved a careful approach to ensure the representativeness and relevance of the collected data, the set number in terms of respondents was 420, and the number of valid questionnaires was 383. The questionnaire had 20 questions and the collection of responses was carried out in 2 periods : October 10, 2022 – March 10, 2023, and because the number of answers was insufficient, it returned with a second stage in the period November 15, 2023-March 15, 2024, considering that the fiscal changes during this period cannot significantly influence the perception of entrepreneurs regarding to the accounting techniques used.

Also within this chapter, as part of my own contribution, I proposed a risk assessment model for the application of creative accounting, with the role of supporting companies, both those in the agricultural field and those in other fields of activity, but also of the auditors, in identifying the risks associated with the use of creative accounting. Although these indicators exist and are used in economic and accounting practice, the contribution they bring is the way of choosing and combining them which can represent a practical and applicable tool.

Based on the research carried out, conclusions and proposals were formulated, in chapter 7, which highlighted the fact that the subject related to creative accounting is a complex one, which, although it has been analyzed in various scientific researches, still remains open, considering the dynamics of the aspects fiscal. The study highlights that, although users may have different levels of knowledge and attitudes towards

creative accounting, there is a general tendency to view these practices as potentially risky, particularly in terms of transparency and business ethics.

The proposals aimed to establish programs or measures that contribute to increasing the level of knowledge and understanding of the implications of creative accounting, highlighting both the risks and the consequences of its use, in order to promote more informed and ethical financial decisions. Also, thinking about financial education programs aimed at limiting the possibilities of manipulating financial information, thus promoting transparency and fairness in accounting reports. In this way, a more responsible business environment could be created that discourages deceptive creative accounting practices