INTERNATIONAL HARMONIZATION
OF REPORTING FOR
FINANCIAL SECURITIES

Authors
Prof. Jiri Strouhal
Dr. Carmen Bonaci

Editor
Prof. Nikos Mastorakis

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International Harmonization of Reporting for Financial Securities

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Prof. Jiri Strouhal
Dr. Carmen Bonaci

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Dear readers,

This publication is devoted to problems of financial reporting for financial instruments. This branch is among academicians and practitioners widely discussed topic. It is mainly caused due to current developments in financial engineering, while accounting standard setters still lag. Moreover measurement based on fair value approach – popular phenomenon of last decades – brings to accounting entities considerable problems.

The text is clearly divided into four chapters. The introductory part is devoted to the theoretical background for the measurement and reporting of financial securities and derivative contracts.

The second chapter focuses on reporting of equity and debt securities. There are outlined the theoretical bases for the measurement, and accounting treatment for selected portfolios of financial securities.

Third part of text is devoted to derivative contracts. These contracts became popular during last two decades as a tool for hedging of currency and interest rate risks. The text focuses firstly on the accounting treatment of fixed-term operations and subsequently there is devoted a considerable space to the option contracts.

There are specified selected option pricing models and there is also documented the sensitivity analysis of the option premium on selected parameters. Finally, there is also stressed an attention on selected option strategies as a tool for corporate risk management.

Final passage summarizes current practice. In addition, there is outlined the expected development in the harmonization of accounting rules and the procedures for reporting of financial instruments in SMEs.

We hope that this book will be a valuable guide for anyone seeking constructive engagement with regard to international harmonization of financial securities reporting.

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Jiří Strouhal
Carmen Bonaci
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About Authors

Jiří STROUHAL
University of Economics Prague, Czech Republic

Jiří Strouhal is a senior lecturer with the University of Economics Prague, from which he obtained his PhD in 2005. He holds a certificate of accounting expert from the Czech accounting certification scheme (based on ACCA professional scheme). He is an editorial board member of several referred international journals (in the USA, South Africa and Taiwan). From 2007-2009 he was a member of the Committee for Education and Certification of Accountants of the Union of Accountants; from 2009 he is a Vice President of Chamber of Certified Accountants Czech Republic. From 2010 he also acts as a consultant of financial accounting issues for Czech Statistical Office. His research interest is based in reporting of financial securities and reporting of SMEs.

Carmen BONACI
Babes-Bolyai University Cluj Napoca, Romania

Carmen Giorgiana Bonaci holds a Ph.D. from the Babes-Bolyai University and she is an assistant professor within the Accounting and Audit Department of the university. She obtained tenure within the Babes-Bolyai University after graduating the PhD program with a PhD dissertation on financial instruments – theoretical and practical fundaments. She is a current member of the European Accounting Association, Critical Accounting Society and CECCAR Romania (Body of Expert and Licensed Accountants of Romania). Her research activities are mainly developed in the area of reporting for financial instruments, international financial reporting, corporate governance, accounting in emerging economies, accounting education and the accounting profession.
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