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**Recent Researches in
Law Science and Finances**

**Proceedings of the 4th International Conference on
Finance, Accounting and Law (ICFA '13)**

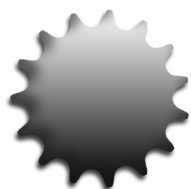
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Plenary Lecture 1

Linkage of Financial Performance Analysis to Revaluation Models within Accounting Information Systems



Professor Jiří Strouhal

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Abstract: Aspects related to identifying the most appropriate manner to account for assets and liabilities within the balance sheet, but also for changes appearing in relation to the valuation being used, have been one of the main preoccupations in financial reporting starting with the development of balance sheet oriented financial statements in the 19th century and the emergence of the income or profit and loss statement in the 20th century (Gwilliam and Jackson, 2008). Although a series of measurement basis were considered over time in terms of measurement for financial reporting, we can for sure say that the historical cost based approach represented the dominant paradigm for a significant period of time and for most of the accounting systems.

The 20th century brought the development of a significant number of researches dealing with identifying the most appropriate manner of measuring assets. In terms of papers that might be considered as benchmark in this area we must mention that of Baxter (1967) and Bonbright (1965). Similar preoccupations were related to identifying the most appropriate manner in which financial performance should be measured, starting with studies such as Chambers (1966), Edwards and Bell (1961) and Patton (1922). In parallel with these developments, but in some ways separate, an older tradition of economic literature, being focused on aspects related to valuation and results, and having started with Ricardo's and some other classic economists writings also continued to develop. On the other hand, economists such as Fisher (1906), Hicks (1946) and Lindahl (1933) already had preoccupations directly linked with establishing ways for periodically determining the result through a calculation framework of current values of future cash flows that were associated to assets and liabilities.

For the performance analysis there were tested following measurement models: (i) cost model, (ii) fair value model (with effect to P/L and with effect on OCI). The most sensitive ratio on cost model seems to be EPS (the effect is proportional). Cost model does not allow the revaluation on higher values, therefore it is clearly seen, that there is any effect on revaluation higher than 0 % from the initial costs.

The most sensitive ratio on Fair Value through Profit/Loss is EPS, however this sensitivity is under-proportional. The less sensitive seems to be ROE.

The most sensitive ratio on this revaluation model is ROE (higher values than initial costs have negative under-proportional effect on profitability ratios given by the higher value of revaluation fund). However this revaluation model has any effect on EPS. These revaluation methods do not have any effect on Earnings per Share.

Brief Biography of the Speaker: Jiří Strouhal graduated from the University of Economics Prague in 2003 and finished his doctoral studies in 2005. In 2006 he became an accounting expert (Czech accounting profession certification scheme based on British ACCA curricula). In the period 2007 – 2009 he was member of the Committee for Education and Certification of Accountants Czech Republic and Executive Board member of the Chamber of Certified Accountants (Union of Accountants CR). From 2011 he is President of Chamber of Certified Accountants Czech Republic and member of Accreditation Committee of this professional organization.

He is reputed academician and practitioner; he published more than 400 research outputs, from which could be stated 25 monographs in the area of accounting and corporate finance, more than 40 research papers published in reputed databases (ISI, SCOPUS – important piece of them in WSEAS/NAUN research journals). His SCOPUS H-index is 7 and his Google Scholar H-index is 10. His major is corporate financial reporting, partially focused on international accounting harmonization and financial securities reporting.

He was a plenary speaker of DEEE 2010 conference in Tenerife, E-ACTIVITIES 2011 conference in Jakarta, and conferences in Harvard (ICBA 2012) and Cambridge (EDUCATION 2012). Also did organized special sessions focused on measurement issues in finance and accounting at WSEAS conferences in Timisoara (EMT 2010), Iasi (AEBD 2011), Angers (EMT 2011), Harvard (ICBA 2012), Porto (AEBD 2012) and Zlin (FAA 2012). He was a chair of Zlin conferences which were held in September 2012 at Tomas Bata University in Zlin, Czech Republic.

Plenary Lecture 2

Quality and Compliance of Information Disclosure from Financial Statements



Professor Tatiana Danescu

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Abstract: Present economic vulnerabilities have called in question the quality of financial information produced by accountancy, their usability underwritten by the requirements of quality attributes claimed to published information. The intercessions of accounting setters led to the repositioning and completion of qualitative requirements regarding information disclosure; but these ones point out a new dilemma under the impact they had on the dimension and complexity of financial statements: Complexity or usability of financial presentations? The complexity of present presentations is eloquent especially for the disclosures of financial instruments, of new business models, of risks and uncertainties. But to what extent: Does usability mean quality or compliance? Therefore, one can take into consideration the extent to which users of financial statements' expectations receive the expected answers regarding the quality of information from financial statements; this extent depends both on how financial information producers accomplish their mission broadly, and on financial auditors who must have the nerve to contest the presentations of information published under the responsibility of the management of the entity, presentations considered not to be adequate from the point of view of users' expectations. Accountants and auditors denote their role also by choosing the perspective of a fair presentation of the financial statement and of the performance, namely if this one is in size of "a correct presentation" or "a compliant presentation".

Brief Biography of the Speaker: Tatiana Danescu is an Professor Ph.D. of Financial Audit and Accounting at Faculty of Economic, Juridical and Administrative Sciences and vicerector of "PETRU MAIOR" University of Targu-Mures, Romania. She is Ph.D coordinator within "1 December 1918" University of Albalulia. Shies area of expertise is financial audit and accounting. She authored 6 books and co-authored 17 books, monographs, materials for study. She wrote over 160 articles, papers presented at national or international conferences and papers published in international database indexed journals. Also she evaluated over 50 academic studies programs and she had the opportunity to be research fellow in over 23 projects under contract /grant. Tatiana Danescu won 2 prizes and 1 medal for shies professional activity in accounting and financial audit.

Moreover, she has more professional certificates, for example: Internal auditor for public institutions, Practitioner in reorganization and liquidation Financial auditor, Chartered Accountant, Financial audit of the entities from the capital market, Investment Consultant, Fiscal consultant, Assessor of the quality of the higher education in Romania, Trainer CAFR financial audit, Member Scientific Board of the journal (Apulensis Universitatis, Series Oeconomica, University "1 December 1918" Alba Iulia, Universities study Petru Maior "series Oeconomica, Annals of the University of Petrosani, Economics Series). She is a member of the National Council of the Romanian Financial Auditors' Chamber.

Plenary Lecture 3

Accounting Forecast Models and Calculation, Information Support of Economic and Financial Policies



Lecturer Lucian Patrascu

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Abstract: Accounting information is the raw material and finished product for any company both for performance and performance management. Concerns regarding the further development of socio-economic systems at both micro and macro, is today the heart of business management. Therefore, current concerns are concerted work to standardize accounting methods for integrated data processing and the use of new technologies, including artificial intelligence. Therefore, in theory and accounting practice in some countries, was conceived alternative forecasting and hence the forecast balance sheet accounts. It is true at the same time and that different tools are used in practice to predict under certain names, such as "budget system" which outlines the monetary and non-monetary flows, but not be summarized in a forecast balance sheet. However, the use of assessment methods based on yield, employs a forecast balance in full or elements. How to prepare and present provisional accounting records are different, and there is no unified methodology in the field. In this context we propose the development of a variant of the forecast balance sheet and capitalization in economic practice.

Brief Biography of the Speaker:

Academic Positions:

- Lecturer Phd., Department of Economics, Accounting and Computing Mathematics Socio-Human Sciences, „George Baritiu” University of Brasov, Romania.

Scientific activity:

- He has published a total of 8 books. Has participated in 1 national research projects, has published 55 various papers in conference proceedings or refereed journals (30 papers have been published abroad), has participated with 20 papers at the WSEAS Conferences.

Studies:

- Ph.D. in Accounting, Academy of Economic Studies of Bucharest, (2008);
- Licensed in Economy, Faculty Economic Sciences, specialization Accounting and Management Information Systems, at the „George Baritiu” University of Brasov, Romania (2004);
- Licensed in Law, Faculty of Law, specialization Law, at the „George Baritiu” University of Braşov, Romania(2007)

Experience:

- Lecturer Phd., Department of Economics at „George Baritiu” University of Brasov, Romania;
- Expert Accountant;
- Financial Auditor