

CASH-FLOW REPORTING BETWEEN POTENTIAL CREATIVE ACCOUNTING TECHNIQUES AND HEDGING OPPORTUNITIES CASE STUDY ROMANIA

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ABSTRACT: We have studied the cash flow reporting issues in Romania, trying to establish if there is an interest in using creative accounting techniques in order to manipulate cash flow reporting.

Another issue of our research is focused on the possibility of using hedging opportunities by financial managers of Romanian companies, in order to at least partially protect future cash-flow from external fluctuating factors.

In order to achieve our goals, we have issued a questionnaire, submitted to authorize auditors from Romania (208 audit companies and 267 individual auditors).

Our study lead us to conclude that creative accounting techniques related to cash flow are only partly known and used by the Romanian companies. On the other hand, hedging techniques were found to be very little known and used by Romanian managers. In this respect, the few instruments used are related to bank and insurance products like factoring, receivables insurance, financial instruments based on interest and foreign exchange rates.

Key words: cash flow, creative accounting, hedging opportunities

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