Harmonization of SME's Financial Reporting in Emerging CEE Countries

Editor

Prof. Jiri Strouhal

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Preface

According to Confucius, information is “to know what to say, when to say and how to say”. In today’s world, information has becomes the most significant resource for a developed economy, and its value has increased constantly as technology has improved. Sector of SMEs plays a crucial role in national economies; it is a driving force of business, of growth, innovations and competitiveness. It plays a decisive role in job creation and, in general, is a factor of social stability and economic development. On the other hand, SMEs have often difficulties to obtain capital or credits which are caused by the continuing unwillingness of financial markets to take the risk and through insufficient guarantee which SMEs can offer to banks. Limited sources of financing can also make the approach to more information difficult, especially information on new technologies and potential markets. International Accounting Standards Board (IASB) finalized in 2009 its effort on the wider spread of international accounting harmonization issuing brand-new standard IFRS for Small and Medium-Sized Entities (IFRS for SMEs). This standard in fact brought a lot of positive and reasonable simplification of rules from “full IFRS” for the necessities of SME businesses.

This book comprises from the general introduction where will be discussed the SMEs sector in general, as well as measurement issues in financial accounting. There will be also provided the introduction to IFRS for SMEs. The main part of book consist of national cases of the Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania and Slovakia, providing the view of leading experts on financial reporting in these emerging CEE countries being a part of European Union.

Final chapter discuss the harmonization of all sets of national regulations with IFRS for SMEs using certain economic tools. The performed analysis show high level of compatibility of all Baltic accounting regulations with IFRS for SMEs.

Authors would like to thanks World Scientific and Engineering Academy and Society (WSEAS) for the kind support of this book.

We hope that this book will be a valuable guide for anyone seeking constructive engagement with regard to international harmonization of SMEs’ financial reporting in Central and Eastern European countries.

February, 2011

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**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.

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