



Harmonization of SME's Financial Reporting in Emerging CEE Countries

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Editor

Prof. Jiri Strouhal



ISBN: 978-960-474-301-8



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Published by WSEAS Press

www.wseas.org

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All papers of the present volume were peer reviewed by two independent reviewers. Acceptance was granted when both reviewers' recommendations were positive.
See also: <http://www.worldses.org/review/index.html>

ISBN: 978-960-474-301-8



World Scientific and Engineering Academy and Society

Preface

According to Confucius, information is “to know what to say, when to say and how to say”. In today’s world, information has become 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

Jiří Strouhal

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