

Professional Accountants' Perception on Measurement Issues in Financial Reporting

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Abstract: - This paper provides an analysis focusing on knowledge of professional accountants in the area of accounting measurement and perceptions in relation to a series of transformation processes taking place at national and international level. The employed research methodology relies on implementing a questionnaire survey. Results document relatively good knowledge of local accounting legislature, however the knowledge gap in international legislature is visible. The paper also develops an analysis focusing on professional valuers and their activity in the area of financial instruments' measurement in order to dimension their opinion, knowledge and perceptions in relation to a series of transformation processes taking place at national and international level. There was documented the association between the developed activity and the valuers' level of professional training when considering the national market of valuation services in the field of financial instruments. The results offer significant insights into the manner in which professionals in the area of accounting handled the dynamic of their national accounting system, therefore suggesting ways to optimize the profession's future development.

Key-Words: - measurement; financial reporting; professional accountants; professional valuers; SMEs; IFRS; national accounting practices

1 Introduction

Besides the transformation processes taking place at national level we must also acknowledge the dynamic being imposed by events taking place in the international area [1, 2, 12]. All these considerations were helpful in designing our research demarche through which we have tried to capture such complex processes.

We must also mention the shift in accounting paradigms leading the accounting model from historical cost measurement towards fair value measurements [6, 12]. The international trend of using fair value as a measurement base for most of the financial instruments and for a series of other key elements capturing entities' financial position, was significantly impacted by the recent financial crisis [1, 5, 7].

Shortcomings and difficulties of mark to market accounting were significantly enhanced, bringing a series of doubts regarding further moves toward more widespread use of fair value measurements [5, 9, 11].

2 Research Methodology

This paper aims to evaluate the professional accountants' knowledge in measuring balance sheet items upon national (Czech) and international (IFRS, respectively IFRS for SMEs) accounting systems. A questionnaire survey was used as a research tool to address this purpose and was submitted to 1 200 companies which are considered as SMEs. Validity was acknowledged for 346 questionnaires, i.e. the response rate was 28.83 %. There were discussed 21 balance sheet items for which 19 possible measurement bases were offered. Respondents were requested to select an appropriate measurement base for all items and for all sets of financial reporting systems (CZ GAAP, IFRS and IFRS for SMEs). To receive additional feedback, respondents were also requested to select a measurement base which is the most appropriate from their professional point of view.

Second part of analysis uses information being obtained through implementing a questionnaire addressed to professional valuers. The questionnaire represents the main research instrument being used and was directly administered to our sample valuers through an electronic communication channel. In terms of formulating the questions, the questionnaire comprised distinctive questions having predefined options for answering as well as

some questions that allowed the respondent to express their opinions and beliefs through textual formulation.

Analyzing the information obtained we developed a regression model which weights clients asking valuers for services in the area of financial instruments, and looks at it as a dependent variable in search for explanatory factors. Furthermore, determinants being considered for this model are:

- The valuers' level of knowledge in the analyzed area;
- The valuers' level of training, the valuers' period of training in the area of financial instruments;
- The professionals' ability to transfer knowledge in the approached area;
- The manner of grounding the performed measurement (valuation) missions.

Further technical details referring to the proposed regression model will be presented in the following section being dedicated to analyzing and interpreting the obtained information.

3 Problem Solution

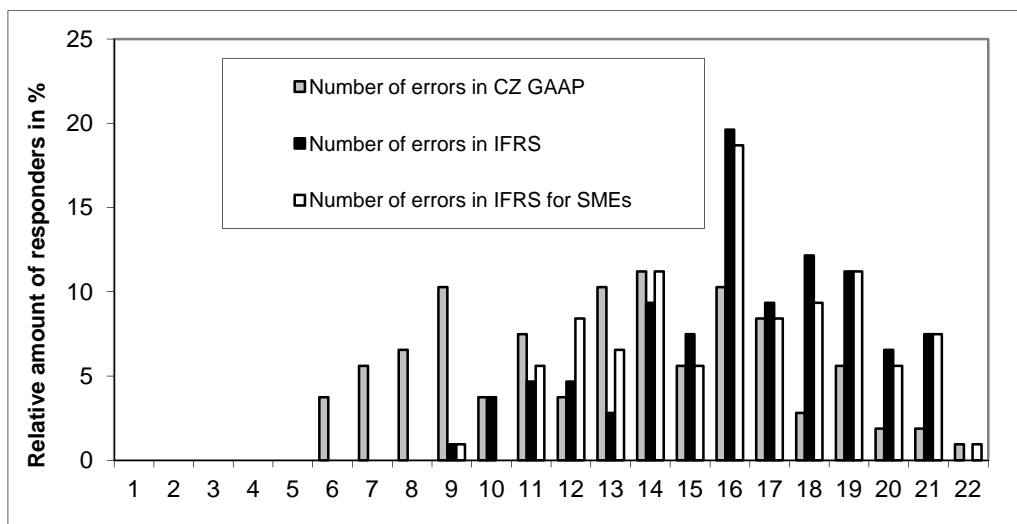
3.1 Evaluating a Knowledge Level of Measurement Bases

Firstly, a relative frequency of occurrence of errors in measuring balance sheet items under all three accounting systems was evaluated. The results are shown in Figure 1.

A maximum occurrence of errors is approximately 16 errors in all accounting systems. The accuracy of responders from the responses measured by the number of errors is in some degree better in CZ GAAP (a greater percentage of low numbers of occurrence of errors in the range from 6 to 12 errors).

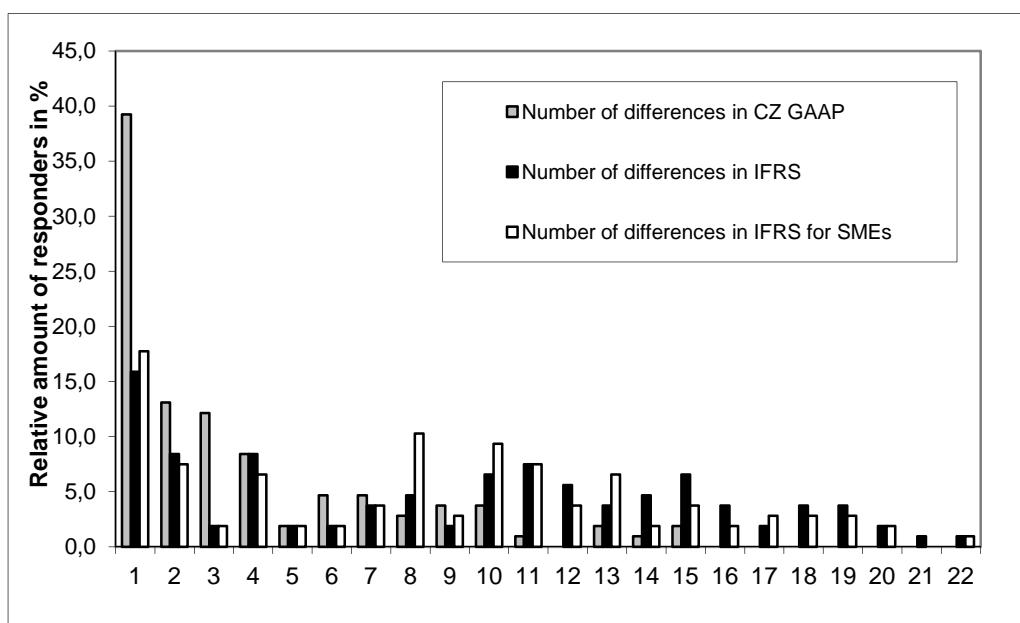
Another variable surveyed was a relative frequency of differences between the bases chosen and the bases selected within individual accounting systems. The result is illustrated in Figure 2.

The figure indicates that none of the accounting systems in comparison with the responders "own choice" seems to be preferred. Nevertheless, CZ GAAP has a slightly higher proportion of smaller variations than other systems. A great number of differences between the bases chosen and the bases selected within individual accounting systems can be observed in IFRS and IFRS for SMEs.



Source: our analysis

Figure 1. Relative amount of responders as a function of number of errors



Source: our analysis

Figure 2. Relative amount of responders as a function of number of differences

Interesting results can be seen in the table showing a relative frequency of the choice of measurement techniques for individual balance sheet items for the different accounting systems. The results are well-arranged in Table A1 (see Appendix). The first row of the table presents measurement bases. The maximum frequency value in each result field of row of the table is highlighted in bold and the field with a correct responder is displayed with a yellow background. Due to the difficulty of a direct interpretation of the table in

this arrangement, the table was arranged by adjusting the order of balance sheet items.

There were employed two research hypotheses:

- Occurrence of errors in all three accounting systems is the same;
- The fair value is the most used measurement techniques.

The first hypothesis was verified through the numerical parametric (proportional test) and nonparametric test (Mann-Whitney).

Table 1. Compliance test for comparison of two variables

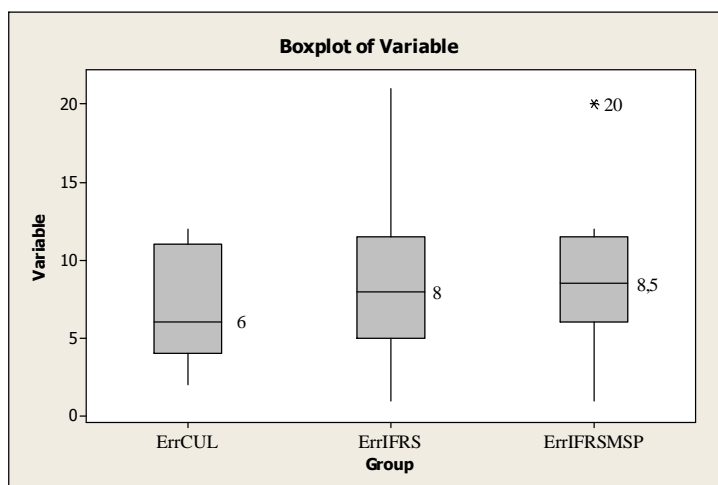
Test	Variable	N	Median	Test statistics (W)	P value
Mann-Whitney	ErrIFRS	12	8.00	147.0	0.4217
	ErrIFRSSME	12	8.50		
	ErrIFRS	12	8.00	184.5	0.2168
	ErrCAS	15	6.00		
	Variable	N	Median	Test statistics (W)	P value
Proportion test	ErrIFRS	103	0.116505	-0.65	0.803
	ErrIFRSSME	102	0.147059		
	ErrIFRS	103	0.116505	0.07	0.556
	ErrCAS	106	0.113208		

Source: authors' analysis

The normal approximation test reports for Mann-Whitney test a p-value of 0.4217 and 0.2168, and Fisher's exact test reports for proportion test a p-value of 0.803 and 0.556. Both of these p-values are larger than commonly chosen α levels (0.05). Therefore, the data are consistent with the null

hypothesis that the population proportions and medians are equal.

This conclusion can be confirmed when comparing the means (ANOVA) and medians (Kruskal-Wallis test).



Source: authors' analysis

Figure 3. Boxplot for medians

Table 2. The ANOVA table for comparing means

Source	DF	SS	MS	F statistics	P value
Group	2	34.0	17.0	0.87	0.429
Error	36	707.0	19.6		
Total	38	741.0			

Source: authors' analysis

Table 3. The Kruskal-Wallis Table for comparing medians

Group	N	Median	Ave Rank	Z	P value
ErrCAS	15	6.00	17.3	-1.15	0.497
ErrIFRS	12	8.00	21.1	0.41	
ErrIFRSSME	12	8.50	22.2	0.81	
Overall	39		20.0		

Source: authors' analysis

Within ANOVA and Kruskal-Wallis tables, P-values (0.429 and 0.497) provide sufficient evidence that all the means and medians are equal when alpha is set at 0.05.

Thus, we can confirm first hypothesis, i.e. occurrence of errors within all three accounting systems is the same.

We also tried to test a hypothesis “fair value is the most used measurement base” when using categorical proportional test. Results are summarized within Figure 4.

P-value less than default chosen $\alpha = 0.05$ for null hypotheses ($H_0: \pi_0 = 0.5$ against $H_A: \pi_0 \geq 0.5$) could be seen, so we have to reject null hypothesis.

Large Sample Tests and Confidence Intervals for Proportions (π)		
Sample Data		
Answer:	Fair Value	
Sample size	6300	
Sample proportion	0,550476	
SE proportion	0,006267	
Hypothesis Tests		
$H_0: \pi = 0,5$		
Alternative		
<input type="radio"/>	\neq	<input type="radio"/>
<input checked="" type="radio"/>	$>$	<input type="radio"/>
<input type="radio"/>	$<$	
$H_1: \pi > 0,5$		
Z 8,012847		
p-value = 5,55E-16		
Confidence Intervals for π		
Type (2,U,L) 2		
Level 0,95		
ME	Lower	Upper
0,012286	0,53819	0,562762

Source: authors' analysis

Figure 4. Output from the XLStatistics program

Table A2 (see Appendix) is divided into four groups of balance sheet items. The first two groups include items for which the correct measurement bases for individual accounting systems inside the item do not differ. The first group includes those items for which the fields with the maximum frequency of occurrence correspond to the fields with the correct responders. The second group involves those items for which the field with the maximum frequency of occurrence differs from the fields with the correct responders. The third group consists of items inside of which the correct responder under IFRS complies with is the correct responder under the IFRS for SMEs, but differs from the correct responder under CZ GAAP. The last group is composed of two items, within which the correct responders under different accounting systems differ from each other.

Balance sheet items listed in the first part of the table were rated by most respondents correctly. The maximum number of responses is in all cases in accordance with the correct answers. The last two items show some uncertainty among respondents' choice between measurement at fair value and measurement at fair value equity/PL. Due to the similarity of both of the measurements, this is apparently an understandable unfamiliarity with the

detailed importance of the method of measurement bases only.

Net book value is a method of measurement preferred by respondents in the first item of the second group, whereas the correct responder is the net book value less impairment. The reason is again the semantic proximity of the two measurement bases. For the remaining items of the second group, respondents wrongly selected measurement at fair value for equity/PL instead of measurement at fair value PL or at equity method. In terms of training course preparation, the errors in measurement result in the need to pay attention to proper explanation of the difference among measurement techniques derived from fair value.

Responses in the third group of items indicate that respondents tend to follow the CZ GAAP. Incorrect responses result from ignorance of the measurement techniques based on the amortized costs and cost (this method of measurement is not used under CZ GAAP), or fair value PL. Within the last group, the incorrect response fair value equity/PL prevails, although the correct techniques are LCM, or Fair value OCI, or fair value equity. The conclusion resulting from the presence of these errors is identical to the conclusion stated in the discussion on group 3.

3.2 Valuation Activities and Professional Trainings

Under such circumstances we consider it necessary to dimension the association between the dimension of the developed professional activity and the training level a professional held at one moment in time. Moving forward, we propose the following set of research hypothesis:

H_{0E} : *When considering the market for valuation services in the area of financial assets (financial instruments' measurement) there is no direct connection between the dimension of the developed activity and the valuers' level of professional training.*

H_{1E} : *When considering the market for valuation services in the area of financial assets (financial instruments' measurement) there is a direct connection between the dimension of the developed activity and the valuers' level of professional training.*

As it can also be seen from the above formulated hypothesis, we are once again dealing with two dimensions and their association makes the object of our analysis.

The first dimension is that of the professional activity being developed by valuers. Due to study's focus on financial instruments we have chosen to quantify this dimension by considering the percentage of clients asking for services in the field of financial instruments. We consider this element to be opportune due to the fact that the quality of the services being provided is usually quantified through turnover and clients portfolio. Since the questionnaire required information related to valuers' clients, we have also used it in this part of the study.

The second dimension being mentioned above refers to the valuers' level of professional training. This dimension will further be quantified by considering a series of elements which, in our opinion, could represent determinants of valuers' professional activity. Among these factors we must mention valuers' level of knowledge, number of training programs being followed, actual training period, as well as the level of details being provided when grounding the results of a valuation mission.

The following table synthesizes the elements (variables) being considered for analysis in a structured manner:

Table 4. Synthetic Data on the Considered Variables

Variables	Coding used
Dependent variables	
The percentage of clients asking for services related to financial instruments.	1 – very low; 2 – low; 3 – medium; 4 – high; 5 – very high; 0 – there are no such clients.
Independent variables	
Level of knowledge in the field of financial instruments.	1 – very low; 2 – low; 3 – medium; 4 – high; 5 – very high.
Training programs followed in the field of financial instruments.	Number of training programs: 1 – very low; 2 – low; 3 – medium; 4 – high; 5 – very high.
How recent is the latest followed training program in the field of financial instruments?	The level is considered to be: 1 – very low; 2 – low; 3 – medium; 4 – high; 5 – very high; 0 – he/she did not follow such programs.
Teaching within training programs in the field of financial instruments.	1 – Yes; 0 – No.
How detailed is the presentation made when grounding the developed valuations?	Level of particularization: 1 – very low; 2 – low; 3 – medium; 4 – high; 5 – very high.

Source: authors' analysis

All values corresponding to the above presented variables were taken out of the database being constructed based on the answers which were obtained by questionnaire implementation. The used

research instrument was therefore applied to the information being offered by the 62 valuers who responded to our questionnaire in a complete manner which we were able to validate.

In order to document the analyzed association we developed regression analysis. Considering the typology of the variables being used and the fact that the dependent variable is a qualitative one, being dimensioned on a five points Likert scale (1 representing the lower level and 5 the higher level), we developed an ordinal regression analysis.

On the other hand, we considered that all valuers participating in the study belonged to a single group

of analysis for which we first employed descriptive analysis, followed by implementing an ordinal regression model. More precisely we used the Negative log-log function due to the structure of the data being analyzed and mainly to the distribution of values of the dependent variable. Therefore, the proposed ordinal regression model is the following:

$$Activity = \alpha + \beta_1 AKnowledge + \beta_2 NTrainings + \beta_3 ATrainings + \beta_4 LecturerPoz + \beta_5 ValueBase + \varepsilon_i \quad (1)$$

where:

- *Activity* represents the dimension of the activity being developed by the valuers, expressed by considering the percentage of clients asking for services in the area of financial instruments;
- *AKnowledge* represents the valuers' declared level of knowledge in the field of financial instruments;
- *NTrainings* represents the number of training programs in the field of financial instruments followed by the valuers;
- *ATranings* expresses how recent is the latest training program in the field of financial instruments being followed by the valuers;
- *LecturerPoz* considers whether valuers also use to teach training programs in the field of financial instruments;
- *ValueBase* represents the level of particularization and details being offered when grounding a developed valuation.

Descriptive analysis was employed before developing the regression model. The obtained results are presented within the following table:

Table 5. Descriptive Statistics for the Considered Variables

	<i>Activity</i>	<i>AKnowledge</i>	<i>NTrainings</i>	<i>ATranings</i>	<i>LecturerPoz</i>	<i>ValueBase</i>
Mean	0.95	2.73	1.79	2.61	0.11	3.23
Median	0.50	3.00	2.00	3.00	0.00	3.00
Minimum	0	1	0	0	0	1
Maximum	5	5	5	5	1	5
Std dev.	1.408	1.104	1.473	1.832	0.319	1.062
Skewness	1.801	-0.259	0.407	-0.277	2.507	-0.471
Kurtosis	2.361	-0.979	-0.721	-1.373	4.429	-0.300
Observations	372	372	372	372	372	372

Source: authors' analysis

The following step assumed the implementation of the proposed regression model. Two complementary tests were applied in order to document the sustainability of the developed regression model, namely the Likelihood ratio test and the Chi-square goodness of fit. The values being recorded when running the Cox-Snell R² and Nagelkerke measure tests were also analyzed for the same purpose.

Therefore, the results being obtained when testing the proposed regression model are presented within Table 6.

The obtained results document the sustainability of the proposed regression model. Furthermore, the values obtained when running the Cox-Snell R² and Nagelkerke measure tests allow us to consider that valuers' professional activity in the field of financial instruments is determined in an approximately 50 % proportion by their professional training. In other words, the considered independent variables explain 50 % of the variation in the dependent's variable.

Table 6. Results of ordinal regression analysis

	Coefficient Estimate	Wald χ^2	p-value
Independent Variables			
<i>AKnowledge</i> (+)	19.880	295.737	0.000
<i>NTrainings</i> (+)	0.124	0.135	0.043
<i>ATrainings</i> (+)	-1.366	2.461	0.021
<i>LecturerPoz</i> (+)	0.082	2.585	0.042
<i>ValueBase</i> (+)	-1.709	2.994	0.028
Model $\chi^2 = 46.757$, $p < 0.000$.			
Pearson Chi-Square = 168.632, p-value = 0.999			
Deviance Chi-Square = 88.867, p-value = 1.000			
Pseudo R-Square			
Cox-Snell	0.530		
Nagelkerke	0.581		
Test of Parallel Lines			
Chi-Square = 99.781, p-value = 0.035			

All independent variables being considered were previously defined.

Source: authors' analysis

If we are to make reference to the particular research hypothesis which we formulated at the beginning of this part of analysis, considering the fact that for the whole model the Chi-Square test generated a value of 46.757, while p-value = 0.000, we can state that the null hypothesis is rejected and the alternative hypothesis is accepted. In other words, obtained results document the fact that when considering the national market of valuation services in the field of financial instruments, there is a direct connection between the dimension of the developed activity and the valuers' level of professional training under the above mentioned circumstances.

4 Conclusion

During 2011, the very same questionnaire was submitted to the students of the economic faculties in Zlín and Karviná [10]. These students had already a basic knowledge of economics, but had not completed a course that would provide them with the details of the characteristics and usage of the measurement bases. Their responders can thus be taken as intuitive responders of informed laymen.

The comparison of both researches shows a remarkable match. The answers of respondents from practice show a slightly higher degree of accuracy in the first group of measurement items. The character of the false responses in the second and the third

group is for both groups of respondents virtually identical.

The long-term intention of the research is to obtain survey answers of students before and after passing appropriate course, and to compare these responses with the answers of respondents from practice. The results obtained could be useful both in terms of education and to obtain an opinion of the professional public to the problem of the measurement. The research shows, in terms of the preparation of the training course, that due to false responses it is necessary to pay attention to a thorough explanation of the difference between the measurement techniques derived from mark-to-market value and the measurement bases used in IFRS [3, 4, 8].

We consider results of the analysis to represent incentives for professional valuers to invest in their professional training. On one hand this will significantly contribute to increasing their competitiveness on the labor market and also their ability to keep pace with developments taking place in the international area. The better trained professionals who easily perform under current economic circumstances we have, the better are the chances that their contribution makes a difference in the dynamics of the international arena even if starting at a national level. On the other hand, as documented by the second part of our analysis, the better trained they are, the higher are the chances for them to expand their professional activities.

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Appendix

Table A1. Relative Frequency (in %) of the Choice of Measurement Bases for Individual Items and Accounting Systems

		Undefined	Amortised Costs	Cost	FIFO	FIFO, weighted average	FIFO, weighted average, LIFO	Nominal Value	LIFO	Equity Method	LCM	Fair Value	Fair Value (equity/PL)	Fair Value OCI	Fair Value (equity)	Fair Value PL	Present Value	Weighted Average	Own Costs	Net Book Value	Net Book Value Less Impairment
Purchased PPE (initial recognition)	CZ GAAP	0	1	25	3	0	0	2	0	0	0	66	0	0	0	0	0	0	1	0	0
	IFRS	0	2	19	4	2	1	2	2	0	1	56	4	0	1	1	2	1	1	0	0
	IFRS/SMEs	0	2	21	2	2	0	1	2	2	2	56	4	0	2	0	2	0	2	1	0
Purchased PPE (subsequent measurement)	CZ GAAP	0	0	7	0	1	1	2	1	1	0	9	13	1	2	2	7	0	1	34	16
	IFRS	0	0	7	2	2	2	4	3	1	1	11	15	2	4	1	9	0	1	25	10
	IFRS/SMEs	0	1	9	2	1	3	2	2	1	3	8	13	2	3	1	7	1	2	28	11
Investment properties (initial recognition)	CZ GAAP	0	0	20	2	0	0	3	1	0	1	49	8	0	2	2	3	0	7	2	0
	IFRS	0	0	16	1	1	3	7	1	2	2	36	11	2	5	1	4	0	6	1	1
	IFRS/SMEs	0	0	14	4	1	1	5	4	2	1	41	10	1	5	2	3	0	6	2	0
Investment properties (subsequent measurement)	CZ GAAP	0	3	1	2	2	1	1	1	2	0	8	14	2	5	5	9	0	1	31	12
	IFRS	0	1	2	2	3	2	4	3	1	1	7	21	5	3	5	10	0	3	21	7
	IFRS/SMEs	0	1	2	2	5	1	2	3	0	3	5	27	3	4	5	7	1	4	19	7
Purchased inventories	CZ GAAP	0	0	12	10	4	4	3	2	0	1	52	3	0	1	0	0	0	6	0	0
	IFRS	0	1	10	11	7	7	2	3	0	6	37	3	0	1	0	2	1	6	2	0
	IFRS/SMEs	0	1	12	11	5	5	3	1	1	6	38	3	0	2	1	1	1	5	1	0
Own inventories	CZ GAAP	0	1	3	2	3	2	0	0	0	1	1	6	0	1	1	1	0	1	75	1
	IFRS	0	2	4	4	6	2	2	2	1	4	3	7	0	2	0	0	1	57	3	0
	IFRS/SMEs	0	3	1	4	4	1	3	3	1	3	1	7	1	1	1	2	1	60	2	0
Securities held for trading (initial recognition)	CZ GAAP	0	2	14	2	0	0	20	3	1	2	34	9	3	3	0	5	0	2	1	0
	IFRS	0	3	7	2	3	0	18	0	2	6	24	19	0	5	0	5	0	4	0	0
	IFRS/SMEs	0	1	9	0	2	2	23	2	3	2	25	16	0	3	1	4	1	3	2	0
Securities held for trading (subsequent measurement)	CZ GAAP	0	4	1	2	1	0	9	2	4	1	9	34	5	5	6	10	0	1	3	2
	IFRS	0	4	2	2	0	2	11	3	3	2	4	30	7	6	8	9	2	0	4	0
	IFRS/SMEs	0	3	2	4	1	0	9	1	2	6	7	32	5	5	8	10	1	1	3	1
Minority interests (initial recognition)	CZ GAAP	0	0	7	2	3	0	12	3	7	2	29	11	3	7	2	5	2	1	3	1
	IFRS	0	1	6	3	3	0	14	2	6	1	19	21	3	7	1	6	2	2	2	1
	IFRS/SMEs	0	1	6	2	2	1	12	2	6	3	21	20	3	5	2	7	1	2	4	0
Minority interests (subsequent measurement)	CZ GAAP	0	2	3	1	2	2	5	4	5	4	4	32	5	9	9	8	2	1	2	0
	IFRS	0	1	2	3	2	2	6	4	4	2	3	31	8	7	11	6	2	3	4	0
	IFRS/SMEs	0	2	1	3	1	2	7	4	5	2	5	31	4	8	9	9	1	2	5	0
Substantial influence (initial recognition)	CZ GAAP	0	0	11	3	3	0	13	1	7	0	28	13	1	8	2	4	1	0	2	2
	IFRS	0	1	6	3	2	2	14	3	5	3	21	17	2	8	2	5	1	1	2	2
	IFRS/SMEs	0	1	6	4	2	1	14	3	6	4	22	16	3	5	3	4	2	1	2	1
Substantial influence (subsequent measurement)	CZ GAAP	0	3	4	0	1	1	3	2	13	4	2	27	4	10	12	8	1	0	2	2
	IFRS	0	2	2	3	1	1	6	3	9	6	3	23	6	7	12	7	1	2	4	3
	IFRS/SMEs	0	2	1	3	2	1	4	3	7	5	2	26	5	7	11	9	1	3	5	4
Interests in controlled entities (initial recognition)	CZ GAAP	0	3	6	1	1	1	10	1	6	2	31	14	3	6	6	7	0	1	2	0
	IFRS	0	1	3	1	2	1	13	2	6	3	23	24	3	6	4	4	1	1	2	0
	IFRS/SMEs	0	1	6	2	2	1	12	4	6	2	22	21	2	5	5	5	2	1	1	1
Interests in controlled entities (subsequent measurement)	CZ GAAP	0	2	5	2	1	0	5	1	12	3	2	25	6	7	14	7	1	2	2	1
	IFRS	0	2	1	2	1	1	5	3	8	3	4	25	7	9	12	6	1	1	5	4
	IFRS/SMEs	0	1	4	1	0	1	7	1	10	2	4	29	6	6	12	8	1	1	2	2
AFS securities (initial recognition)	CZ GAAP	0	3	5	2	1	1	16	1	3	1	33	14	2	6	1	5	1	2	1	1
	IFRS	0	1	5	2	2	0	16	3	2	3	26	18	2	9	3	3	2	2	2	0
	IFRS/SMEs	0	2	4	1	2	1	14	4	2	3	27	15	1	8	2	5	4	3	2	0
AFS securities (subsequent measurement)	CZ GAAP	0	1	3	0	1	1	6	2	2	3	6	32	5	10	9	9	2	1	2	4
	IFRS	0	2	2	2	2	2	6	4	3	1	3	32	7	9	12	9	2	0	4	1
	IFRS/SMEs	0	2	1	3	1	1	7	1	3	2	4	32	5	9	11	11	0	2	4	2
Issued shares	CZ GAAP	0	3	4	2	1	0	53	0	4	0	7	10	0	3	0	6	2	3	0	0
	IFRS	0	3	1	1	3	1	38	3	3	2	6	19	2	3	2	9	2	2	1	0
	IFRS/SMEs	0	3	2	4	2	0	43	1	2	2	7	17	2	2	2	5	1	2	2	0
Issued bonds	CZ GAAP	0	4	3	2	0	1	41	3	2	4	9	11	1	2	2	8	2	3	2	0
	IFRS	0	3	4	3	0	1	37	2	2	4	5	19	0	4	3	8	1	1	2	1
	IFRS/SMEs	0	4	3	1	2	1	35	2	3	3	7	17	0	3	3	8	1	4	3	1

Accounts receivable	CZ GAAP	0	1	3	4	0	1	40	2	3	3	4	14	1	2	2	9	2	1	7	2
	IFRS	0	2	2	4	1	1	21	2	3	2	8	18	1	1	3	13	2	2	11	4
	IFRS/SMEs	0	2	4	3	1	1	25	4	3	2	5	20	0	0	1	14	2	2	8	3
Accounts payable	CZ GAAP	0	3	2	1	0	1	36	3	4	3	4	14	2	1	1	9	0	4	9	3
	IFRS	0	2	4	3	2	2	21	3	3	3	5	18	1	0	2	13	3	4	9	3
	IFRS/SMEs	0	1	4	2	1	1	24	3	3	4	5	19	1	1	1	14	2	4	9	2
Provisions	CZ GAAP	0	3	2	1	0	1	14	0	3	2	1	16	0	1	4	16	1	18	11	5
	IFRS	0	3	2	3	1	1	10	2	3	2	3	16	0	1	4	21	2	12	9	5
	IFRS/SMEs	0	2	1	2	0	2	11	1	2	1	3	17	1	1	4	21	2	13	9	5

Source: authors' analysis

Table A2. Modified Table A1 with Adjusted Order of Balance Sheet Items

		Undefined	Amortised Costs	Cost	FIFO	FIFO, weighted average	FIFO, weighted average, LIFO	Nominal Value	LIFO	Equity Method	LCM	Fair Value	Fair Value (equity/PL)	Fair Value OCI	Fair Value (equity)	Fair Value PL	Present Value	Weighted Average	Own Costs	Net Book Value	Net Book Value Less Impairment
Items with the same measurement in all three systems – all responders correct																					
Purchased PPE (initial recognition)	CZ GAAP	0	0	24	0	0	0	0	0	0	0	76	0	0	0	0	0	0	0	0	0
	IFRS	0	0	23	0	0	0	0	0	0	2	71	2	0	0	0	2	0	0	0	0
	IFRS/SMEs	0	0	21	0	0	0	0	0	0	2	72	2	0	0	0	2	0	0	1	0
Investment properties (initial recognition)	CZ GAAP	0	0	30	0	0	0	0	0	0	0	65	3	0	0	0	0	0	1	1	0
	IFRS	0	0	21	0	0	0	0	0	0	0	62	14	0	0	0	2	0	1	1	0
	IFRS/SMEs	0	0	21	0	0	0	0	0	0	0	64	12	0	0	0	1	0	1	1	0
Purchased inventories	CZ GAAP	0	0	16	16	4	2	0	0	0	0	50	0	0	0	0	1	11	0	0	0
	IFRS	0	0	14	17	5	1	0	0	0	21	35	0	0	0	1	0	7	1	0	0
	IFRS/SMEs	0	0	16	17	4	3	0	0	0	15	38	0	0	0	1	0	6	1	0	0
Own inventories	CZ GAAP	0	0	7	6	1	0	0	0	0	0	3	0	0	0	0	1	2	80	0	0
	IFRS	0	0	5	7	1	1	0	0	0	7	8	2	0	0	1	2	1	66	0	0
	IFRS/SMEs	0	0	5	7	1	1	0	0	0	7	6	4	0	0	1	2	2	66	0	0
Substantial influence (initial recognition)	CZ GAAP	0	0	18	0	0	0	6	0	2	1	55	14	3	0	0	2	0	0	0	0
	IFRS	0	0	17	0	0	0	7	0	6	2	36	23	5	2	0	2	0	0	1	0
	IFRS/SMEs	0	0	17	0	0	0	7	0	4	2	42	20	5	2	0	2	0	0	1	0
AFS securities (initial recognition)	CZ GAAP	0	0	18	0	0	0	11	0	0	0	50	13	1	4	0	3	0	1	0	0
	IFRS	0	0	16	0	0	0	13	0	0	1	33	28	2	2	1	3	0	1	1	0
	IFRS/SMEs	0	0	15	0	0	0	11	0	0	1	42	22	2	1	1	3	0	1	1	0
Issued shares	CZ GAAP	0	1	5	0	0	0	51	0	0	0	17	20	2	2	0	3	0	0	0	0
	IFRS	0	2	7	0	0	0	37	0	0	0	12	27	1	4	2	3	0	4	0	1
	IFRS/SMEs	0	1	6	0	0	0	40	0	0	0	11	29	1	4	2	2	0	4	0	1
Minority interests (initial recognition)	CZ GAAP	0	0	18	0	0	0	8	0	0	1	53	14	0	3	0	3	0	0	0	0
	IFRS	0	0	17	0	0	0	8	0	0	3	34	33	1	0	1	3	0	0	1	0
	IFRS/SMEs	0	0	16	0	0	0	7	0	0	2	42	25	1	1	1	4	0	0	1	0
Interests in controlled entities (initial recognition)	CZ GAAP	0	0	16	0	0	0	7	0	2	0	52	17	3	1	1	2	0	0	0	0
	IFRS	0	1	19	0	0	0	6	0	6	1	34	23	5	3	1	2	0	0	1	0
	IFRS/SMEs	0	0	19	0	0	0	5	0	4	1	39	21	5	3	1	3	0	0	1	0
Items with the same measurement in all three systems – all responses incorrect																					
Purchased PPE (subsequent measurement)	CZ GAAP	0	0	8	0	0	0	0	0	0	0	24	2	0	0	0	1	1	0	44	20
	IFRS	0	1	7	0	0	0	0	0	0	2	13	25	4	1	2	7	0	0	25	13
	IFRS/SMEs	0	1	7	0	0	0	0	0	0	2	14	26	3	1	2	5	0	0	23	16
Securities held for trading (subsequent measurement)	CZ GAAP	0	0	3	0	0	0	8	0	2	0	10	42	10	7	11	4	0	0	0	2
	IFRS	0	0	1	0	0	0	6	0	2	2	3	37	16	5	18	8	0	0	0	3
	IFRS/SMEs	0	0	2	0	0	0	7	0	1	2	3	38	15	6	20	5	0	0	0	3
Substantial influence (subsequent measurement)	CZ GAAP	0	0	7	0	0	0	3	0	22	0	17	27	6	7	6	6	0	0	0	1
	IFRS	0	0	5	0	0	0	2	0	21	2	9	24	8	8	10	9	0	0	0	1
	IFRS/SMEs	0	0	7	0	0	0	1	0	15	2	8	30	7	9	11	8	0	0	0	1
Interests in controlled entities (subsequent measurement)	CZ GAAP	0	0	5	0	0	0	4	0	23	0	15	25	7	7	6	6	0	1	0	1
	IFRS	0	0	4	0	0	0	3	0	21	3	7	25	7	12	9	7	0	1	0	1
	IFRS/SMEs	0	1	4	0	0	0	4	0	14	2	7	33	6	12	10	7	0	1	0	1
Items with the same measurement under IFRS and the IFRS for SMEs and different under CZ GAAP																					
Investment properties (subsequent measurement)	CZ GAAP	0	0	11	0	0	0	0	0	0	0	21	14	1	0	0	1	0	0	34	18
	IFRS	0	1	7	0	0	0	0	0	0	3	6	31	3	1	15	5	0	0	18	11
	IFRS/SMEs	0	0	10	0	0	0	0	0	0	3	7	35	4	1	9	6	0	0	14	12
Securities held for trading (initial recognition)	CZ GAAP	0	1	18	0	0	0	13	0	0	1	52	8	1	1	1	4	0	0	0	0
	IFRS	0	1	18	0	0	0	12	0	0	2	34	25	3	1	1	3	0	0	1	0
	IFRS/SMEs	0	1	19	0	0	0	11	0	0	2	37	19	4	2	2	3	0	0	1	0

Issued bonds	CZ GAAP	0	1	6	0	0	0	48	0	0	0	17	20	2	2	0	5	0	1	0	0
	IFRS	0	3	6	0	0	0	35	0	0	1	10	28	5	2	2	5	0	4	0	1
	IFRS/SMEs	0	2	5	0	0	0	38	0	0	1	10	28	4	2	2	4	0	4	0	1
Accounts receivable	CZ GAAP	0	0	6	0	0	0	57	0	0	0	5	11	1	0	0	5	0	2	3	11
	IFRS	0	5	5	0	0	0	34	0	0	0	4	21	3	0	0	9	0	2	5	13
	IFRS/SMEs	0	4	5	0	0	0	36	0	0	0	4	20	4	0	0	8	0	2	7	11
Accounts payable	CZ GAAP	0	0	8	0	0	0	64	0	0	0	4	11	1	0	0	6	0	0	2	5
	IFRS	0	4	6	0	0	0	36	0	0	0	4	24	5	3	1	12	0	0	1	5
	IFRS/SMEs	0	3	6	0	0	0	39	0	0	0	4	25	3	3	1	10	0	0	2	5
Provisions	CZ GAAP	0	0	2	0	0	0	26	0	2	0	6	28	1	0	2	23	0	5	4	2
	IFRS	0	3	0	0	0	0	10	0	4	1	2	35	1	0	0	36	2	2	5	1
	IFRS/SMEs	0	0	0	0	0	0	11	0	3	0	2	36	0	0	0	38	2	2	6	1
Items with different measurement in all three accounting systems																					
Minority interests (subsequent measurement)	CZ GAAP	0	0	2	0	0	0	7	0	12	0	18	33	7	7	7	7	0	0	1	0
	IFRS	0	0	1	0	0	0	6	0	7	2	8	35	9	7	10	12	0	0	2	1
	IFRS/SMEs	0	0	3	0	0	0	5	0	5	2	9	36	8	8	11	11	0	0	1	1
AFS securities (subsequent measurement)	CZ GAAP	0	0	6	0	0	0	8	0	2	0	9	41	11	9	12	1	0	0	0	0
	IFRS	0	0	3	0	0	0	7	0	4	3	4	36	11	10	14	7	0	0	1	1
	IFRS/SMEs	0	0	4	0	0	0	7	0	3	3	6	35	10	10	13	7	0	1	0	1

Source: authors' analysis