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FALSIFICATION LIKE A WAY OF CREATIVE ACCOUNTING

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Summary. The paper investigates the concept of “creative accounting” conditions of its emergence and implementation. There is defined negative and positive influence on the formation of accounting

policy. Methods and reasons for the use of creative accounting and manipulation of financial statements are separated. There are grounded objects, by which is often used creative accounting.

Key words: *creative accounting, falsification, manipulation, creative accounting methods.*

Because of reforming the national accounting system, new mechanisms reflect economic facts. The existence of alternative methods and ways of accounting allows entities to manipulate accounting data and financial statements data within the current legislation. Today there are remain underdeveloped the possibility of being creative accounting, order and characteristics of its application, its relationship with the accounting policy at the enterprise level.

Almost all scientists consider the duality of nature “creative” accounting. On the one hand, the “creative” can be recognized as an any method that does not meet the generally accepted practice or the standards and principles, and in the worst of its manifestations – the process of fitting the company accounts to represent a more favorable light his work before the shareholders, investors and other interested parties.

Creative accounting should be considered from two perspectives: on the one hand, the positive side

includes the development and application of accounting policies as permitted by law; on the other, creative accounting becomes negative value after using it in order to deliberate distortion of the results of operations and financial condition and fraud by hidden things in statements. That is why creative accounting is a real challenge for the accountancy profession. This is an international problem, and the Anglo-American model of accounting is typical questions of formation of accounting policy, while manipulating business transactions inherent in the continental model accounting.

Loosen the conflicts that lead to creative accounting, perhaps through the introduction of a new paradigm of accounting in providing risk reduction information for users; improving the uniform standards of financial reporting, and monitoring their compliance.

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