

ACCOUNTING POLICY AS THE INSTRUMENT USED FOR SHAPING INVESTOR RELATIONS

Summary

Regulations which govern companies' financial reporting allow those economic entities to make their own choices concerning the ways of presenting particular economic events. This results in the companies' attempts at shaping the content of financial reports and is referred to as accounting policy. The aims of accounting policy run by the board of directors of a given company can vary. Common practice shows that shareholders do not always benefit from the effect of such policy, which obviously contradicts the need of developing good relations with the company owners, i.e. investor relations. In such context the question addressed is how the fund balance policy should be conducted in order to foster good and healthy investor relations.

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