



## THE IMPACTS OF ESTIMATION METHODS OF FINANCIAL REPORTING ON THE DECISIONS OF INVESTORS AND CONTINUITY OF BUSINESSES

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### ABSTRACT

**Purpose-** The purpose is to demonstrate that the financial statements of companies, which have different reporting methods would have different attractions on taking an investment decisions for the investors. Another words, reporting methods have impact on the final decision of the investors.

**Methodology-** This study utilizes both a literature review analysis and sample case studies. A literature review is concluded the previous authors' thoughts on the subject matter and some analysis are performed for existing practices for financial statements prepared according to different reporting methods.practices are analyzed. The study is conceptual and exploratory and qualitative analysis techniques and aplicable practices are employed to reach a conclusion through addressing three research questions: RQ1: Do the financial statements provide effective information for for investments? RQ2: Do the financial statements provide effective information for management? RQ3: Which necessary tools can be involved to improve the validity of financial statements?

**Findings-** The analysis presents that the reporting methods of financial statement have particular roles on the usefulness of financial statements. Additionally, the sample case study concludes that the reporting methodologies of financial statements provides essential changes on decision taking and has strong impacts on investors decisions.

**Conclusion-** Based on the findings, it is concluded that different financial statement reporting methodologies create different financial statements. These different financial statements lead to different decisions from the investors. Therefore, to provide a trustable decision for the investors, it is vital to provide unified reporting methodologies on concluding financial statements.

**Keywords:** Financial statements, reporting methodologies on accounting, estimations on financial statement reporting.

**JEL Codes:** M40, M41, M42

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