

HARMONIZATION OF GOODWILL REPORTING PRACTICE IN THE CONSOLIDATED FINANCIAL STATEMENTS OF ROMANIAN GROUPS

*Carmen-Alexandra Baltariu, „Babeş-Bolyai” University Of Cluj-Napoca, Romania
Andreea Cîrstea, „Babeş-Bolyai” University Of Cluj-Napoca, Romania*

ABSTRACT: The purpose of this paper is to analyze the current state of consolidated reporting practice harmonization concerning the extant methods for evaluating and reporting goodwill in the consolidated financial statements of Romanian groups. In order to attain our purpose we selected financial and non-financial Romanian groups that were listed in the Bucharest Stock Exchange and we analyzed, first in a qualitative manner, for a period of five years starting 2007, the notes to their consolidated financial statements with the design to establish exactly which of the methods stated in the International Financial Reporting Standards were being used for evaluating and reporting goodwill. The quantitative analysis, based on which certain conclusions about the current state of material harmonization concerning the practice of evaluating and reporting goodwill could be extracted, was performed by using the Herfindahl Index. The results obtained by calculating the Herfindahl Index indicate that throughout the entire period taken into account the value of the Index is constant and equal to 1, meaning that with respect to goodwill reporting practice, the groups considered make use of the same method, the purchase goodwill approach. Based on the results, our conclusion is that from the point of view of goodwill reporting practice, the groups analyzed are fully harmonized.

Keywords: material accounting harmonization, consolidated financial statements, IFRSs, goodwill reporting practice

JEL codes: M40, M41, M48