

Factors influencing a firm's accounting policy decisions when tax accounting and financial accounting coincide

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Purpose

This paper aims to investigate the factors that influence the accounting policy decisions of firms operating in Greece. Emphasis is given to management's perceptions regarding the impact that accounting figures have upon the decision-making and opinions of firms' stakeholders.

Design/methodology/approach

Through a survey the financial managers of the 200 largest firms in Greece have been asked to indicate their opinions regarding the impact that reported figures have upon firms' stakeholders and the extent to which firms pursue specific profit-related objectives.

Findings

According to the participants in the survey accounting figures influence firms' stakeholders' perceptions and decision-making, and firms pursue profit-related objectives that may not coincide with the objective of minimization of firms' tax liability.

Research limitations/implications

Although certain measures have been taken in order to limit the response bias, one cannot rule out the possibility that some bias have been introduced in the responses. A further empirical investigation based upon annual reports will provide additional evidence regarding the factors that influence firms' reporting policies.

Practical implications

This study helps researchers in identifying the factors that shape accounting policies of firms operating in countries with an environment similar to that of Greece. Additionally, the findings of this study can facilitate professionals who undertake international financial analysis.

Originality/value

countries this study can provide an insight regarding the factors that influence financial reporting choices of firms operating in these countries.

Keywords: [Accounting policy](#), [Accounting](#), [Decision making](#), [Financial reporting](#), [Greece](#)

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