

EARNINGS QUALITY AS A KEY FACTOR OF THE FIRM'S FINANCIAL HEALTH

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Abstract. The goal of the research is to identify factors influencing quality of the reported earnings, to develop an earnings quality assessment model based on these factors and to test the model's validity and reliability applying it in practice. The main problem which was solved in the course of the research was to interconnect accounting methods, used for preparing financial statements as a way to link the "quality" of reported earnings and financial health of the organization. The main restriction is that research was conducted for private companies. The methods chosen for conducting the research were: literature exploring, analysis, comparison, modeling, method of expert evaluation.

Keywords: earnings quality, assessment method, financial statements, scores method.