RESEARCH ARTICLE

Empirical Aspects Concerning the Entrepreneurs and Financial Reporting of Romanian SMEs

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Abstract

Using financial and accounting information for improving knowledge about firm position and performance and furthermore take proper decisions thereby represents best practices that almost all entrepreneurs/small business owners should acquire. For that matter we attempt to analyze some aspects of the attitude and needs of the entrepreneurs concerning financial accounting information and financial reporting, the entrepreneurs' preference to certain financial ratios, the extent to which the entrepreneurs use financial statements and accounting information, methods they use when assess liquidity and other aspects regarding practices used in this respect. We designed a questionnaire which was addressed particularly to the Ialomita County entrepreneurs/small business owners for testing six hypotheses in this direction. Based on our quantitative research we found that Romanian entrepreneurs are predominantly profit oriented, pursue to maintain and sustain their businesses, mostly consult and use cash book, statement, centralized data of the receipts and payments and only a small percentage of them use cash flow forecasting in their business activity. Also we found important but not significant correlation between business turnover size and variables such as: frequency of using financial accounting information and frequency of the assessment of liquidity.

Keywords: *SMEs, Entrepreneur, Small business owner, Financial reporting, Liquidity, Accounting information*

Introduction

In the last decades, SMEs have been considered with highly interest by policy setters, public authorities and economies [1]. Therefore not only a growing number of researchers [2-5] have argued the importance of the SMEs in economy particularly by its contribution to creating new jobs and economic growth, but moreover organizations like European Commission and The Organization for Economic Co-operation and Development (OECD).

According to European Commission, small and medium sized enterprises are considered the backbone of the European economy which generated over 85% of the new net jobs created in the EU during the years 2002-2010, being otherwise recognized their significant impact in the economy.

A generic definition of SMEs it is not yet available, mostly because SMEs quantitative limits and values definition criteria are often influenced by characteristic factors of each economy apart. Although there are several quantitative definitions for SMEs hierarchy provided in order to be tailored to several economies, the thresholds must be adjusted according to the enterprises activity and specific economy.

According to Recommendation no. 2003/361/EC [6], European Commission classify SMEs as entities with the average number of employees smaller than 250 and annual turnover less than 50 million Euro or total balance sheet less than 43 million Euro.

Due to the overall importance of the SMEs in the economy, it is necessary for small and medium enterprises to be and maintain sustainable and that is why we focused our research on analyzing the financial reporting needs and practices used by Romanian entrepreneurs of SMEs, a scarce area approached by Romanian researchers.

Romanian SMEs Accounting Background

Fourth Accounting Directive (Directive 78/660/EEC on individual accounts) and Seventh Accounting Directive (Directive 83/349/EEC on consolidated accounts) represents the base of the European entities' accounting and consequently implementation of the European accounting directives by each member states facilitated a harmonized framework within Europe. Since 1999, the Romanian Ministry of Finance issued various orders aimed to harmonize Romanian accounting rules with European accounting directives and international accounting standards.

Currently in Romania entities prepare financial statements in accordance with OMPF 3.055/2009 for approval of accounting regulations compliant with European directives [7]. Small and medium-sized enterprises are not yet defined in the Romanian legislation for accounting or financial reporting purposes.

According to the number of employees during the financial year and of the value of the total turnover or assets, an entity draws abridged annual financial statements (abridged balance sheet, abridged profit and loss account, simplified notes to the annual financial statements) or full set of financial statements (balance sheet, profit and loss account, statement of changes in equity, cash flow statement, notes to the annual financial statements). Therefore, entities with an average number of less than 50 employees and a turnover of less than EUR 7.3 million or total assets of less than EUR 3.65 million prepare the abridged set of the annual financial statements. Otherwise, when the limits are exceeded, it draws the complete set of financial statements, and the entity must undertake a statutory audit.

To support SMEs financial reporting, in 2011 was issued the Order no. 2239 for the approval of simplified accounting system, including simplified accounting regulations and rules concerning the approval, signature and simplified annual financial statements [8]. Entities, whose net sales and total assets are below the limit of 35,000 Euros each may choose to apply simplified accounting system.

In European Union there are efforts made to simplify financial reporting for SMEs. Since 2009, European Commission seeks to simplify and improve the Accounting Directives (2009/49/EC [9] and the Proposal for a Directive Proposal COM

(2009) 83 for micro entities) so that especially micro businesses to be exempt from the accounting directives.

Of course that through the adoption of the Order no. 2239/2011 for the approval of simplified accounting system was intended to simplify accounting rules and financial reporting of SMEs, so the entities whose annual turnover and total assets are less than 35,000 Euros each, may choose to apply Order no. 2239/2011 and to prepare simplified balance sheet and profit and loss account.

The accounting regulations compliant with Directive IV of the European Economic Community shall apply to the following types of companies: general partnerships, limited partnerships, limited companies, limited partnership by shares, limited liability companies and other specified in OMPF 3055/2009 [7].

For the rest of the entities which are not subject of the Directive regulatory guidelines (unlimited liability partnership, sole proprietorship (intreprindere individuala) or registered sole trader/self-employed person (persoana fizica autorizata)) there are no specific accounting rules, but in 2008 the European Commission's Directorate General for Enterprise and Industry of the Union has developed and published a report on recommendations and best practices for these entities which provides aspects such as: preparation and keeping journals and books, compliance accrual, double entry bookkeeping, preparation of simplified balance sheet and profit and loss account, drawing simplified cash flow forecast on a regular basis, true and fair value principle and the possibility of using a standardized chart of accounts.

In Romania, sole proprietorship or registered sole trader/self-employed person which pays taxes according to Fiscal Code [10] must comply with detailed rules regarding the organization and management of single entry bookkeeping of the Order no. 1040/2004 [11]. That means only draw up the Leger and inventory register without draw up the balance sheet. Income and expenses are recorded at the date of receipt/payment respecting the cash accounting principle and not at the date of the document as in double entry accounting (accruals basis of accounting). There are therefore discrepancies between the Romanian national accounting regulations and practices

recommended by the European Union for sole proprietorships and registered sole trader/self-employed person, because in Romania is practiced cash accounting and are not prepared financial statements for this kind of entities, reporting being done only for tax purposes.

But in Denmark, Lithuania, Slovakia, Spain, Sweden, Portugal, Slovenia where sole proprietorships and registered sole trader/self-employed person apply at large double entry accounting, and countries like Belgium, Estonia, Romania and the UK where regardless of size, accounting takes only for tax purposes [12].

Small businesses accounting system of each

Member States vary widely. Thus, there are countries where are not accounting regulations, and there are countries where accounting regulations are relatively strict for small entities [13].

Literature Review

Generally an entrepreneur is perceived as a business leader or an individual who organizes and runs a small business. It is important to highlight there are no unanimous views if a small business owner is considered also an entrepreneur.

In this respect, [14], [15] posited that entrepreneurs are not the same with small business owners, the main difference between the two categories being innovation, and respectively, the preference of the entrepreneurs for creating activity with the principal purpose of profit and growth, unlike the small business owners who's their principal purpose is furthering personal goals. Moreover, differences between the two categories could be also related to other aspects such as the entrepreneurs/business owner's behavior, attitude, beliefs or value orientation.

However there are authors [16] who accounted no significant distinction between the two categories.

According to [17], the entrepreneurial tendencies (risk taking, innovativeness, pro-activeness) of firm owners have been identified as "entrepreneurial orientation," but there exist also a second different orientation called "small business orientation" (emotional attachment, personal goal attainment). It is considered that entrepreneurial orientation has a positive effect on small firm performance, and there were researchers, who studied this connection [17-20].

Whether we consider the small business owner or the entrepreneur it is recognized that appropriate accounting information is important for a successful management of a business regardless of the business size [13].

Generally small company owner-managers derive little benefit from the production of statutory final accounts and most of them do not understand the information they contain [21]. Also, research suggests that not all smaller firms produce accounting reports despite the theorized performance benefits of doing so [22].

Financial information can be used to help owners grow and develop their firm and thus, strengthen the economic and social contribution small firms can make [22]. It was also concluded that the use of accounting information improves/enhances decision making in organizations [23] – using questionnaire, interviews and observation.

Some researchers [24] found a positive relation between the extent of information use and the performance of a SME. Though, [25] argues the comprehensiveness of financial reporting practices may have only limited potential as an explanatory factor for business performance

Sales, variable cost and cash flow are seen as important figures entrepreneurs analyze often, sales growth being the most common performance indicator among entrepreneurs. Also financial reporting information on cash flow is considered particularly relevant in the context of entrepreneurial SMEs [26]. Managing cash flows well and drawing cash projections is considered very important for a successful business [13]. According to [27] citing Cooley and Edwards (1983) owners of SMEs consider profit maximization as the most important financial objective.

Research Methodology

The purpose of our research is to analyze the financial reporting needs and practices of Romanian entrepreneurs/small business owners.

To achieve the objectives of the research it was developed a questionnaire, the research being quantitative and intended to determine the extent to which the entrepreneurs use financial and accounting information, identification of the most important users and of the most important ratios and other aspects. In our research, the respondents were micro and small business owners.

The first part of the questionnaire aims to trace the profile of the entity and of the small business owner and comprises questions about the entrepreneurs' gender (man/female), how long is the entrepreneur in the field, working environment (urban/rural), field of activity (services/commerce/production/transportation/construction/etc.), the turnover and number of employees of the previous financial year (2012).

The second part of the questionnaire include questions which follows the entrepreneurs setting preferences regarding: funding methods, main users, financial ratios, purpose they use financial and accounting information and reports and goals they pursue in the business.

Finally, the third part of the questionnaire aims to establish the main method the entrepreneurs use to assess the liquidity level of the business, how they appreciate the company's level of liquidity and the frequency with which they use accounting and financial information.

The questionnaire aims to collect data from respondents and to analyses their responses for determining frequencies of responses, percentages and correlation between variables. It also pursues to determine the extent to which the entrepreneurs use financial and accounting information, identification of the most important users and of the most important ratios and other aspects

Table 1: Research & Objectives

Purpose of the research	Objectives
Determine the entrepreneurs/small business owners attitude and practices regarding some aspects of financial reporting	• Establish the main users of financial statements of micro and small sized enterprises; • Establish financial ratios/indicator from the perspective of entrepreneurs and their needs; • Establish the extent to which the entrepreneurs use financial and accounting information, the purpose they use it and the frequency with which they consult it; • Determine the objectives pursued by the entrepreneurs;

The questionnaire includes questions with open and closed answers and addresses to SMEs operating in various sectors such as agriculture, forestry, construction, transport, manufacturing, trade, services and other activities from South-Muntenia (mainly in Ialomita County).

Target group which was addressed the questionnaire was made up of micro, small and medium entities which prepared abridged financial statements. Data collection was conducted during July-October 2013, in Ialomita County. Sampling method was random selection (random sampling), so the sample to fulfill the conditions of being representative and systematic. The questionnaire was addressed to a number of 100 SMEs owners, but we received only 57 responses, so the response rate was 0.57%. For data processing we used SPSS Statistics 20.

The sampling error is ± 13% at a confidence level of 95% and a total population of 500,000 enterprises (the total number of Romanian active SMEs for the year 2011 being under 500,000 enterprises).

The questionnaire was addressed to those entities which fall under the category of micro, small and medium sized entities. i.e.: entities whose number of employees is less than 50 and whose turnover is greater than zero, but less than 7.3 million Euros (excluding businesses or state owned enterprises in the financial sector) which prepare abridged financial statements.

Results

From all the received responses, 59.6 per cent were from male entrepreneurs (34 responses) and 40.4 per cent of the responses (23 responses) came from female entrepreneurs. Regarding the entrepreneur experience it was observed that 38.6 per cent of respondents (22 respondents out of 57) have more than ten years' experience in their field. The fields of activity were various, hence the main activities of the 57 respondents companies were: services, retail, production, construction, pharmaceutical trade, shipping, social services, agriculture, forestry and music industry. Companies that engaged in retail trade had the largest share of over 35 percent of the respondents.

Table 2: Entrepreneurs Experience and Gender

		Entrepreneur's Gender		Total	Valid Percent (%)
		Male	Female		
Entrepreneurs	Less than 3 years	8	6	14	24.6
Experience	Between 3-5 years	4	3	7	12.3
	Between 6-10 years	11	3	14	24.6
	Over 10 years	11	11	22	38.6
Total		34	23	57	100.0

Table 3: Structure of the entities included in the study according to the turnover

Firms Turnover	Frequency	Percent (%)
Under 150,000 Ron (33,870 €)	18	31.6
Between 150,001 – 225,000 Ron (33,870 – 50,805 €)	8	14.0
Between 225,001 – 10,000,000 Ron (50,805 – 225,800 €)	11	19.3
Between 1,000,001 – 5,000,000 Ron (225,800 -1.1 million €)	4	7.0
Between 5,000,001 - 10,000,000 Ron (1.1 – 2.25 million €)	2	3.5
Between 10,000,001 – 35,000,000 Ron (2.25 – 7.9 million €)	3	5.3
Over 35,000,001 Ron (Over 7.9 million €)	0	0.0
I don't know	10	17.5
Not the case	1	1.8
Total	57	100.0

We can observe that 31.6% of the SMEs have turnover value smaller than 33,870 Euro, 19.3% of SMEs have turnover value between 50,805 Euro and 225,800 Euro, 17.5% of the entrepreneurs replied they don't know the value of their turnover, 14.0% has their turnover value between 33,870 and 50,805 Euro.

Objective no. *1 Establish the main users of financial statements of micro and small sized enterprises;*

H01: Romanian entrepreneurs consider the state as most important user of the financial statements.

From our study, out of the 57 received responses, not all the entrepreneurs preferred to assess scores to all the users of the financial statements according to their importance (from 1 representing the least important to 5 as most important).

Table 4: Importance of the users

		Potential investors	Banks and other creditors	States and its institutions	Management and shareholders	Other creditors: suppliers, clients etc.
N	Valid	33	41	39	42	34
	Missing	24	16	18	15	23
	Mean	2.94	3.20	3.05	4.12	2.50

From our descriptive analyses one can conclude the most important users of the financial statements from the perspective of Romanian entrepreneurs are internal users (management and shareholders), not the State and its related institutions.

There are Romanian authors who concluded State as being the most important user of the financial statements of the SMEs based on their interviewees with most important actors involved in the accounting process and on the traditional connection between accounting and taxation [28] and also based on descriptive analyses of the questionnaires answers provided by some members of the Body of Expert and Licensed Accountants of Romania, CECCAR [29]. Other

authors [30] considered crediting institutions (banks) as the main users.

Recent Romanian study [31] based also on a questionnaire addressed to professional

accountants working in SMEs revealed that internal user (managers and owners) and the State as the most important users.

Therefore, from our research, the null hypotheses cannot be validated as the State being the most important user of the financial statements from the perspective of the entrepreneurs, though it is considered one of the important groups of users after internal users and banks.Objective no. *2*

Establish financial indicators from the perspective of entrepreneurs and their needs;

Table 5: Importance of the financial indicators

	Turnover	Profit	Added value/gross margin	Liquidity	Solvability	Level of expenditures	Level of revenues
Valid	53	56	50	53	53	52	51
Missing	4	1	7	4	4	5	6
Mean	3.87	4.30	3.10	3.85	3.36	3.88	4.18

From all 56 valid respondents, 35 respondents (61.4 per cent) considered profit the most important key element they fallow in their activity.

As can be seen from the above table, the mean of importance assigned for profit is the highest (4.3) and the most closest to the value of 5 which represent the highest level of importance assigned for the 5 level Likert scale.

Therefore one can assume that Romanian entrepreneurs consider profit being the most important key indicator and the H02 hypothesis being validated.

Objective no. 3 *Establish the extent to which the entrepreneurs use financial and accounting information, the purpose they use it and the frequency they consult it*

H02: Romanian entrepreneurs consider profit as the most important indicator;

H03: Romanian entrepreneurs consult financial accounting statements, accounting reports and financial accounting information and data in a limited extent;

We try to determine if a small business entrepreneur/owner need various financial reports or accounting data centralization which to reflect the level of sales, liquidity, cash disbursements, cash receipts, centralized situation of customers or suppliers or other situations, despite the fact that it is assumed the entrepreneurs knows the business, he/she is involved in all the business activities, takes care of receipts and payments and usually it is expected to estimate the monthly payments.

Table 6: Table expressing the frequency of using financial statements, reports and financial accounting information

Cross tabulation of the degree of using financial statements and entrepreneur's gender		Entrepreneur's Gender		Total	Valid Percent (%)
		Male	Female		
	In a very little extent	6	3	9	15.8
	In a little extent	1	2	3	5.3
Frequency of using and consulting accounting information	Neither little nor great extent	10	1	11	19.3
	In a largely extent	8	11	19	33.3
	To a great extent	8	6	14	24.6
	At all	1	0	1	1.8
Total		34	23	57	100

From the descriptive analyses we can conclude that 57.89 (33 out of 57 respondents) consider they consult financial accounting statements, accounting reports and financial accounting information in a largely and great extent. Therefore, our number 03 hypothesis "Romanian entrepreneurs consult financial accounting statements, accounting reports and financial accounting centralization in a limited extent" could not be validated.

But, when asked about the scope they use/consult financial accounting statements, accounting and financial data and information or other accounting reports (under the way of an open answer), the answers came only from 36 respondents (63.2%), the other 21 respondents (36.8%) prefer not to answer that question. The main scope they use/consult financial accounting statements, accounting and financial information or other accounting reports being: for managerial decision

(3 responses), for check out (1 response), various purposes (3 responses), diverse information concerning incomes and expenses, analyzing the volume of sales (5 responses), for planning the expenses (2 responses), for bank purposes (3 responses), for obtaining higher results and increase profitability (3 responses), for information, administration, decision and a more efficient activity (8 responses), for fiscal purposes (2 responses), for financial reporting (1 response), for examining the company, evaluating the position, firm performances and image of the company (6 responses).

We use Pearson correlation coefficient to examine the connection between the frequency of using accounting information and independent variables like entrepreneurs experience, in order to determine if there is a correlation, what kind of correlation and how significant is the relationship between the variables.

In theory, correlation is significant at 0.05 levels, which means a chi-square asymptotic significance (Asymp. Sig. 2 sided) value less than 0.05.

The results asserted that extent to which the entrepreneurs use financial statements is in a medium positive correlation, but not significant relationship with the experience of the entrepreneurs.

We can say a chi-square test was performed and no relationship was found between the entrepreneurs experience and the extent the entrepreneurs use financial statements and accounting information, $X2$ (15, N=57) = 14.54, p =0.485.

Also, a chi-square test was performed and no relationship was found between the firms turnover and the extent the entrepreneurs use accounting information, $X2$ (35, N=57) = 42.57, p =0.177.

Table 7: Pearson correlation between frequency of using financial information and the entrepreneur's experience

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.540[a]	15	.485
Likelihood Ratio	14.172	15	.512
Linear-by-Linear Association	1.741	1	.187
N of Valid Cases	57		
a. 22 cells (91.7%) have expected count less than 5. The minimum expected count is 12.			

Objective no. 4: *Determine the entrepreneurs' main objectives they pursue in their business activities.*

H04: The Romanian entrepreneurs' main objective is obtaining a high profit.

Table 9: Entrepreneurs objectives and responses

Indicator/ Frequency of responses	Obtaining a high profit	Cutting the expenses	Raising the turnover	Developing and company expansion	Foreign Markets Access	Maintaining and sustaining the business	Other objective
Most important	26	23	26	26	9	35	1
Very important	15	13	17	10	4	8	0
Medium importance	10	12	8	12	10	2	2
Less important	1	4	4	5	7	5	2
Least important	4	2	0	2	21	4	3
Valid Answers	56	54	55	55	51	54	8
Sum	226	213	230	218	126	227	18
Mean	4.04	3.94	4.18	3.96	2.47	4.20	-
Missing answers	1	3	2	2	6	3	49
Total	57	57	57	57	57	57	57

Table 10: Pearson correlation coefficient (Asymp. Sig (2-sided)) between entrepreneur's objectives and experience and firm's turnover size

Entrepreneurs objectives/ Entrepreneurs experience and firm's turnover size	Entrepreneurs experience	Size of firm's turnover
Obtaining a high profit	0.134	0.050
Cutting the expenses	0.230	0.012
Raising the turnover	0.374	0.322
Developing and expansion of the company	0.581	0.452
Accessing foreign markets	0.831	0.452
Maintaining and sustaining the business	0.684	0.426

One can conclude that obtaining a high profit, cutting the expenses, raising the turnover, developing and expansion of the company, access to foreign markets as well as maintaining and sustaining the business are important objectives entrepreneurs pursue in their business activity.

As can be seen from the Table no. 10 the mean of importance assigned for maintaining and sustaining the company is the highest (4.20) and the closest to the value of 5 (which represent the highest level of importance assigned for the 5 level Likert scale) and means that, before attained a higher profit, entrepreneurs aim at maintaining and sustaining the company and face all the obstacles and impediments that interfere.

Access to foreign markets is the least pursued objective due to the fact that, generally, SMEs are not interested in foreign market, unless they largely undertake activities such as international transportation, constructions and manufacturing or other activities.

We can conclude that the business' objectives settled by the entrepreneurs are not related with the entrepreneurs experience or with the firm's turnover size.

Table 11: Liquidity Research & Objectives

Purpose of the research	Objectives
The extent to which Romanian entrepreneurs anticipate the liquidity level and know how to appreciate if the company's assets allow it to cope any time commitments that has made and what methods the entrepreneurs use.	• Determining the entrepreneurs most used methods when they appreciate and anticipate the liquidity level. • To determine if exist any relationship between firms turnover and the assessment frequency of the liquidity.

Last part of the questionnaire aims to establish the main methods the entrepreneurs use to assess and anticipate liquidity, the extent the entrepreneurs know how to assess the business's liquidity and the frequency they use data and/or accounting and financial information.

When asked the entrepreneurs about the frequency they experience problems with lack of the cash in a month, most of them said there are very rarely times in a month (35.09%) or few times in a month (35.09%) when they encounter this problem. Only 8.77 % of them said they hardly ever encounter problem with the lack of the cash.

Table 12: Entrepreneurs' experience with lack of the cash in a month

How often do you experience problems with the lack of the cash in a month	Number of responses	Percentages
Most of the times per month	12	21.05
Few times in a month	20	35.09
Very rarely in a month	20	35.09
Hardly ever	5	8.77
TOTAL	57	100

Objective no. 5: *Determining the entrepreneurs frequently used methods when appreciate and analyses their receipts and payments;*

Observing the methods used by entrepreneurs when analyzing the liquidity and the receipts and payments, the questionnaire aims to determine which frequently used methods are.

From the entrepreneurs responses we concluded that most of them (31.59 %) prefer to analyze all monthly receipts and payments by consulting the

cash book and bank statements, 5.26 % of the entrepreneurs prefer not to analyze the receipts

and payments and 17.54 % of the entrepreneurs consult more than one method.

Table 13: Methods used by entrepreneurs when analyses their receipts and payments

Methods of analyzing the liquidity and the receipts and payments	Total responses by number of respondents	Percentages	Total number of responses	Percentages
1. Usually analyzing all monthly receipts and payments using the cash book and bank statements	18	31.59	27	34.62
2. Preparing cash book and analyzing payments and receipts	9	15.79	15	19.23
3. Monthly centralization of all receipts and payments	5	8.77	10	12.82
4. Analyze the balance of suppliers and customers	4	7.02	10	12.82
5. Use cash flow forecasting	8	14.03	13	16.67
6. No analysis	3	5.26	3	3.85
7. Using at least two of the above methods	10	17.54	0	0
Total number of methods chosen	-	-	78	100
TOTAL respondents	57	100	-	-

Regarding the extent the entrepreneurs consult information which reflects payments and receipts, 87.72 % of the entrepreneurs consider

they consult to at least an average extent documents which reflect the liquidity level of the business.

Table 14: Extent to which the entrepreneurs consults financial-accounting information which reflect payments and receipts

How often do you consult financial-accounting information which reflects your payments and receipts situation?	Number of responses	Percentages
In a great extent	7	12.28
In a largely extent	27	47.37
Neither great nor small extent	16	28.07
In a small extent	2	3.51
Not appreciate	5	8.77
TOTAL	57	100

Objective no. 6: *If exist a relationship between firm's turnover and the assessment frequency of the liquidity.H05: Higher the turnover, the greater*

is the frequency of the entrepreneurs consulting documents which reflect payments and receipts situation.

Table 15: Measurement of the assessment of liquidity & firms turnover

		Firms Turnover							
Assessment frequency of liquidity		Under 150,000 Ron	150,000 – 225,000 Ron	225,000 - 1,000,000 Ron	1,000,000 – 5,000,000 Ron	5,000,000 - 10,000,000 Ron	10,000,000 - 35,000,000 Ron	I don't know	TOTAL
To a great extent	Count	1	0	3	0	0	2	1	7
	%	5.6	0.0	27.3	0.0	0.0	66.7	10.0	12.3
Largely extent	Count	9	7	3	3	1	1	2	27
	%	50.0	87.5	27.3	75.0	50.0	33.3	20.0	47.4
Neither great nor small	Count	7	1	4	1	1	0	2	16
	%	38.9	12.5	36.4	25.0	50.0	0.0	20.0	28.1
Small	Count	0	0	1	0	0	0	1	2

extent	%	0.0	0.0	9.1	0.0	0.0	0.0	10.0	3.5
I don't	Count	1	0	0	0	0	0	4	5
know	%	5.6	0.0	0.0	0.0	0.0	0.0	40.0	8.8
Total	Count	18	8	11	4	2	3	10	57
	%	100	100	100	100	100	100	100	100

Table 16: Pearson correlation between the frequency of the assessment of the liquidity and firm's turnover

Chi Square Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	39.145[a]	28	.079
Likelihood Ratio	35.825	28	.147
Linear-by-Linear Association	3.462	1	.063
N of Valid Cases	57		

a. 37 cells (92.5%) have expected count less than 5. The minimum expected count is .04.

The results showed the frequency whereby entrepreneurs consult documents which reflect receipts and payments is in a positive correlation but not significant relationship with firm's turnover since Sig. value is 0.08 (which is greater than 0.05). So, we can say there is not a significant relationship between firm's turnover and the assessment frequency of the liquidity. Hence, no relationship was found between the firms turnover and the frequency of the assessment of the liquidity, X^2 (28, N=57) = 39.15, p =0.08.

Conclusion and limits

Through this study we attempt to discover and disclose some practices that Romanian entrepreneurs/business owners use in their activity, to understand the entrepreneur's/small business owner generic profile according to the indicators and the objectives the entrepreneur's follows, the extent to which they produce/consult financial information, the reason why they consult accounting and financial centralization data or other accounting reports and information etc.

We formulated six hypotheses based on our analyses, practical experience and observation. Except the no. 2 hypothesis, the rest of the hypotheses could not be validated.

We used Chi-square test (Pearson Correlation) to find relationships between different variables such as: assessment frequency of the liquidity and firm's turnover size, entrepreneur's objectives and entrepreneurs experience and firm's turnover size, frequency of using financial accounting data and information and the entrepreneur's experience and firm's turnover size. We find positive important relationships between some variables, but not significant results.

For further study it is recommended to enlarge the sample and other Counties being taken into consideration, because business characteristics may differ according to the level of the development of the County, so it is possible that our finding to not be applicable for all Romanian SMEs, but only for Ialomita County or for other similar developed counties (regions).

Because our respondents were business owner, in our study we refer to the small business owners as the entrepreneurs also. This may have an impact on our results because there are authors which differentiate an entrepreneurial orientation from a small business orientation with an impact in firm performance.

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