

WINDOW DRESSING OF ACCOUNTS: AN EFFECTIVE TOOL TO IMPROVE PERFORMANCE

DR. ATUL BANSAL

PROFESSOR
DEPARTMENT OF MANAGEMENT & RESEARCH
INTEGRAL UNIVERSITY,
LUCKNOW

ABSTRACT

Ethics in accounting means to provide fair and accurate reporting of the financial position of business. At the end of the financial year, some companies change their accounting data to impress its users. For that purpose, company show good performance on investment or good financial position by changing depreciation and inventory method.

Window dressing is a set of actions or manipulations with financial or other information in financial documents (financial statements, reports, etc.) to make this information look more attractive to its users. Even though window dressing can occur at any time, it is commonly used at the end of a period.

A company can use window dressing when preparing financial statements to improve the appearance of its performance or liquidity. In this case, window dressing may consist of changing asset depreciation or valuation policies, making short-term borrowings, or engaging in sales and leaseback transactions at the end of a period. By doing so, management embellishes the company's results or liquidity and obtains some benefits. This paper discusses the brief introduction of window dressing of accounts and for better understanding of this topic considers various accounting scandal.

KEY WORDS: Window Dressing, Accounting Fraud, Satyam scandal, Reebok scandal, Lilliput scandal, Serious Fraud Investigation Office
