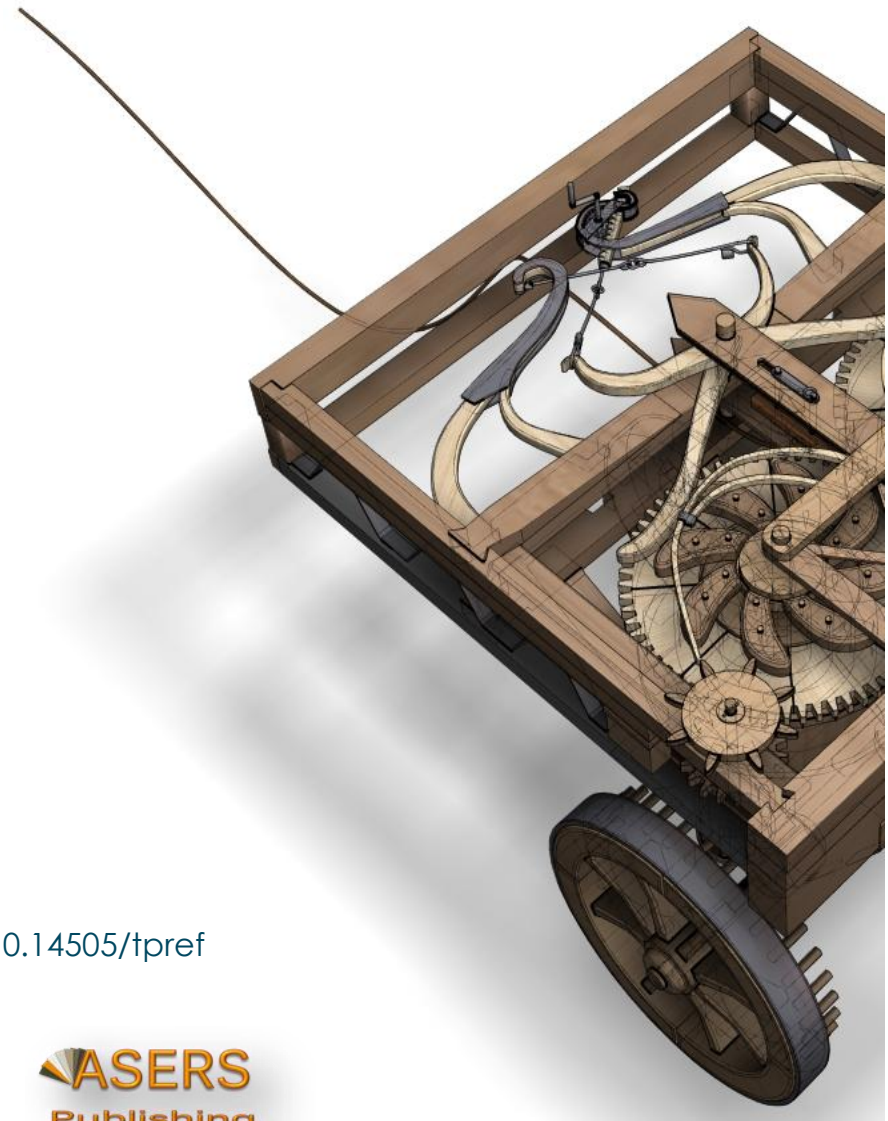
Theoretical and Practical Research in Economic Fields



Quarterly
Volume XVI
Issue 2(34)
Summer 2025

ISSN: 2068 – 7710
Journal DOI: https://doi.org/10.14505/tpref

ASERS
Publishing

Volume XVI
Issue 2(34)
Summer 2025

ASERS Publishing
ISSN 2068 – 7710
Journal's Issue DOI:
https://doi.org/10.14505/tpref.v16.2(34).00

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Volume XVI
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ASERS Publishing
http://www.asers.eu/asers-publishing
ISSN 2068 – 7710
Journal's Issue DOI:
https://doi.org/10.14505/tpref.v16.2(34).00

Call for Papers
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Theoretical and Practical Research in Economic Fields

Many economists today are concerned by the proliferation of journals and the concomitant labyrinth of research to be conquered in order to reach the specific information they require. To combat this tendency, **Theoretical and Practical Research in Economic Fields** has been conceived and designed outside the realm of the traditional economics journal. It consists of concise communications that provide a means of rapid and efficient dissemination of new results, models, and methods in all fields of economic research.

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Volume XVI, Issue 2(34), Summer 2025

DOI: https://doi.org/10.14505/tpref.v16.2(34).17

Digital Accounting Dynamics: Unmasking Disruption and Gauging Its Impact on Financial Paradigms

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Article info: Received 27 March 2025; Received in revised form 16 April 2025; Accepted for publication 24 May 2025; Published 30 June 2025.

Abstract: The study provides the empirical analysis of the impact of disruptions in accounting on the financial paradigms of 20 large Ukrainian companies for 2019-2023. The aim of the research is to analyse and explain how these disruptions affect financial performance indicators, such as Return on Assets (ROA), company stability, and market value. The research employed a panel data model, where the dependent variable is the financial performance of the companies and disruptions in accounting are the independent variables. The data were collected from publicly available financial statements, audit reports, and macroeconomic indicators. The study applied a fixed-effect and random-effect regression model to measure the relationship between disruptions in accounting and financial indicators. Company size, industry type, and other macroeconomic conditions (*e.g.*, Gross Domestic Product (GDP) growth) are control variables. Disruptions in accounting have a significant negative impact on financial performance, including restatements, reporting delays, and qualified audit opinions, which causes a decrease in ROA. GDP growth is a macroeconomic factor that positively affects financial performance, while company size mitigates the negative impact of accounting accuracy on performance. The results show that accurate and timely financial reporting is important for maintaining investor confidence and financial stability. This study is one of the first studies to examine how disruptions in accounting affect Ukrainian companies, provides an up-to-date conceptual understanding of the relationship between financial reporting practices and financial performance in a transformational economy.

Keywords: disruptions of accounting; Ukrainian companies; financial indicators; panel data; recalculations.

JEL Classification: D11; F65; M41; C01.

Introduction

Disruptions in accounting in the form of financial restatements, financial reporting delays, and adverse audit opinions are becoming a critical issue for companies worldwide (Schaltegger 2020). These disruptions negatively affect organizations, causing significant impacts on financial health, operational performance, and value (Sukanthasirikul 2021). The impact is most acute in emerging markets such as Ukraine, where corporate governance remains underdeveloped and financial transparency is far from standard practice. Therefore, understanding how accounting disruptions, such as investments in R&D and advertising, affect financial accounting metrics and ultimately companies' financial performance is important for both academics and practitioners responsible for strategic management of companies and building investor confidence.

Therefore, understanding how disruptions in accounting, such as investment in research and development and advertising, affect financial accounting indicators and, ultimately, the companies' financial performance, is important for both academics and practitioners responsible for the strategic management of companies and for building investor confidence.

This article empirically examined how disruptions in accounting affected the financial paradigms of 20 large Ukrainian companies for 2019–2023. By examining restatements, reporting delays, and audit opinions, the study determines the impact of these three variables on financial indicators such as profitability, financial stability, and market value. The impact of disruptions in accounting on investment is analysed using a panel data model that controls the company size, industry type, and macroeconomic conditions.

Recent studies have shown that disruptions in accounting negatively affect the companies' financial performance (Bila, 2024; Secinaro *et al.* 2021). However, their impact on the Ukrainian economy is poorly studied. The authors of this study fill this gap by explaining how disruptions in accounting affect the companies' financial performance in Ukraine, considering the unique constraints and opportunities in its markets. The aim of the article is to provide relevant information for further effective decisions of policymakers, investors and corporate managers, the importance of timely and accurate financial reporting for the viability of the company and market confidence.

The article also examines the relationship between disruptions in accounting and financial paradigms to demonstrate the role accounting plays in the economy as a whole in emerging markets. This is important in order to understand their dynamics, improve financial transparency, and enable sustainable business growth in Ukraine.

A novel contribution of this study is to empirically investigate the particular financial impacts of accounting disruptions of restatements, reporting delays and audit opinions on the financial performance of major Ukrainian firms during economic transformation (2019–2023). Despite the plethora of literature on digital transformation and financial transparency in developed markets, there is very little scholarly work looking into how disruption of these trends occurs in transitional economics such as the Ukraine. Through the use of panel data econometrics, this research addresses a large gap by applying frameworks to a diverse sample across critical industries and delivering actionable bottom-line takeaways for policymakers, investors and corporate executives. The findings highlight the financial reporting role in strategic decision making, targeted particularly at maintaining investors' confidence and stability of the macroeconomy in post crisis situation.

1. Literature Review

Accounting has undergone significant changes in the past few years, driven by technological advances and the increasing complexity of global economic and environmental challenges (Truong *et al.* 2021). The concept of sustainability in accounting has gained critical importance, especially in times of crisis. Tregidga and Laine (2022) argue that these disruptions require a revision of long-term environmental accounting to address the new risks that organizations face. This is consistent with broader discussions linking sustainability to global challenges such as pandemics, as suggested by Schaltegger (2020). Schaltegger advocates the integration of ecosystem accounting into a comprehensive framework for sustainable development. In addition, Industry 4.0 has caused enormous disruptions in work and supply chains, as Koh *et al.* (2019) noted. New technologies, such as cloud computing and big data, are transforming accounting, enabling real-time data-driven decision-making. Cloud accounting, being flexible and efficient, also poses new risks.

Yau-Yeung *et al.* (2020) discuss these risks and propose mitigation strategies, emphasizing the careful integration of technology into accounting practices. As Jayasuriya and Sims (2023) note, blockchain technology has revolutionized accounting and ledger management by eliminating intermediaries. Knudsen (2020) show how digitalization is blurring traditional boundaries and disrupting organizational power dynamics. These technological

advances highlight the transformative potential of digital tools in accounting. However, there are challenges to the implementation of digital tools.

Al-Okaily and Alsmadi (2024) and Hamundu *et al.* (2020) propose a model for implementing cloud accounting in Indonesian micro, small and medium-sized enterprises (MSMEs). David and Cernușca (2020) study how accountants see the future of their profession in the context of digital transformation. Chu and Yong (2021) note that big data analytics improves decision-making but requires a robust infrastructure to support its complexity.

Al-Okaily *et al.* (2024) and Al-Okaily and Alsmadi (2024) emphasize how digital tools and blockchain improve accuracy and trust in financial systems, directly addressing the disruptions highlighted in this study. Lulaj & Brajković (2025) and Alassuli *et al.* (2025) underline the role of governance and ESG integration in mitigating the negative effects of accounting irregularities. Amin *et al.* (2025) and Avdimetaj *et al.* (2025) stress the need for practical skills and updated education to support digital accounting adoption. De Silva *et al.* (2025) and Komelina *et al.* (2018) highlight how digital integration drives sustainable and resilient financial reporting. Together, these studies align with the findings on Ukrainian companies, affirming that digital accounting transformation is essential for improving financial paradigms amid disruption. The incorporation of non-financial elements into accounting practices is also increasing. Summarizing this literature review, it can be concluded that the synergy between technology, sustainability, and digital transformation in accounting is a very relevant issue.

2. Materials and Methods

2.1 Research Procedure

The study employed a quantitative approach using panel data. The data were collected over a 5-year period for 20 Ukrainian companies. The analysis focuses on financial indicators such as ROA and Altman Z-score as dependent variables. Independent variables will include disruptions in accounting: restatements, audit opinions, and reporting delays. Fixed effects (FE) and random effects (RE) models were used with diagnostics such as the Hausman test to select the appropriate model.

2.2 Sample

Twenty companies (Naftogaz of Ukraine, Ukrnafta, Metinvest, DTEK, Ukreximbank, PrivatBank, Kernel, MHP, Ferrexpo, Kyivstar, Nova Poshta, ArcelorMittal Kryvyi Rih, Zaporizhstal, Astarta-Kyiv, Interpipe, Epicentrk, Vodafone Ukraine, Ukrtelecom, Ukrhydroenergo, Obolon) were selected for the analysis, representing various sectors of the Ukrainian economy, including energy, banking, manufacturing, and telecommunications. This approach ensures a representative sample. The number of companies was limited to 20 to ensure a detailed analysis of each case, taking into account the availability of data and research resources, as well as to maintain a balance between breadth of coverage and depth of research

2.3 Methods and Instruments

The dependent variables include financial stability (Altman Z-score), profitability (ROA), and market valuation (*e.g.,* price-to-book ratio). The independent variables are accounting disruptions (restatements, audit opinions, reporting delays), while the control variables include company size, industry type, GDP growth, and Corporate Governance Index (CGI).

The econometric model used:

$$Yit = \beta 0 + \beta 1 Restatementsit + \beta 2 Delaysit + \beta 3 AuditOpinionsit + \beta 4 Zit + \epsilon it \quad (1)$$

where:

Yit - represents the ROA for company *i* in year *t*. It measures how efficiently the company uses its assets to generate profit.

β0 - represents the baseline level of financial performance when all independent variables are zero.

β1Restatementsit - reflects the impact of financial restatements on performance. A higher frequency of restatements indicates a higher number of accounting errors, which are hypothesized to negatively affect the ROA.

β2Delaysit - reflects the impact of delays in financial reporting on performance. Longer delays typically indicate inefficiencies or management problems that are expected to reduce ROA.

β3AuditOpinionsit - reflects the impact of audit opinions (*e.g.*, qualified or adverse) on financial performance. Adverse opinions indicate weaknesses in financial management that can harm ROA.

β4Zit - includes control variables such as firm size, GDP growth or industry effects, which take into account external factors and company-specific characteristics that can also affect financial performance.

ϵit - errors, which include unobserved factors or random variations that affect financial performance but are not explicitly included in the model.

Hypotheses:

H1: Disruptions in accounting negatively affect financial paradigms (β1 < 0).

H2: Large companies suffer less from disruptions in accounting due to reliable management (β4>0).

2.4 Data Collection

The data were obtained from company reports, auditing firms (Kearns-Manolatos *et al.* 2024; PwC 2023), as well as macroeconomic indicators of the Derzhstat (2024) and the World Bank (2023; 2024), IMF (2023; 2024).

2.5 Econometric Steps

1. The data cleaning (missing values were removed and variables were normalized).
2. Panel data estimation (FE models were used and RE models were considered based on diagnostics).
3. Diagnostics (Hausman test, Breusch-Pagan test for heteroscedasticity, and variance inflation factor (VIF) for multicollinearity were performed).
4. Software tools (Stata and Excel were used for analysis).

3. Research Results

In modern economies, the integrity of accounting practices is closely linked to financial paradigms. Disruptions in accounting include financial misstatements, audit discrepancies, and underreporting (Youssef & Mahama, 2021). These disruptions complicate decision-making by stakeholders and affect confidence in financial markets (Tsiligiris and Bowyer 2021).

The proposed econometric model addresses a pressing problem in accounting and financial management practices. This is consistent with the political and economic goals of Ukraine. Using a fixed effects approach, a panel data regression model was estimated, where the result of the Hausman test showed that fixed effects were more relevant compared to random effects ($p < 0.05$). This identifies the relationship between disruptions in accounting and financial paradigms for 20 Ukrainian companies in 2019–2023. The results of this econometric model are presented in Table 1.

Table 1. Results of the econometric model (ROA)

Item No.	Variables	Coefficient (β)	Standard error	t-Statistic	p-Value
1.	Restatements	-0.145	0.062	-2.34	0.019 **
2.	Delays	-0.008	0.003	-2.67	0.008 **
3.	Audit Opinions	-0.102	0.046	-2.22	0.027 **
4.	Company Size (Registered Assets)	0.076	0.021	3.62	0.000 ***
5.	GDP Growth Rate	0.153	0.038	4.03	0.000 ***
6.	Industry	0.062	0.024	2.58	0.011 **
7.	Constant	0.842	0.215	3.91	0.000 ***

Note:

1) *** (three asterisks) – the result is highly statistically significant, often corresponding to a p-value of less than 0.001. This means that the probability that the observed effect is accidental is less than 0.1%.

2) ** (two asterisks) – the result is statistically significant, often corresponding to a p-value of less than 0.01. This indicates that the probability that the effect is accidental is less than 1%.

Model diagnostics:

1) R2 (within): 0.62;

2) R2 (overall): 0.57;

3) F-statistic: 12.34 (p < 0,001);

4) Number of observations: 100 (20 companies over 5 years).

Source: developed by the authors.

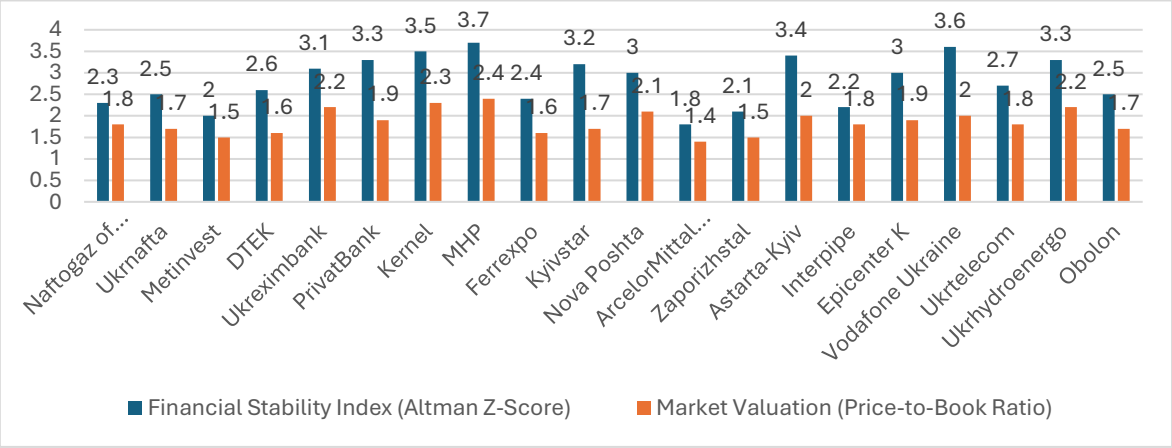
The data in Table 2 and Figure 1 show that disruptions in accounting characterized by restatements, delays, and audit opinions, significantly worsening financial performance. Macroeconomic growth and company size were found to mitigate these negative effects.

Table 2. The results for 20 Ukrainian companies

Item No.	Company	Restatements (%)	Reporting delays (days)	Audit opinions (%)	ROA (%)	GDP growth (%)	Company size	Industry
1.	Naftogaz of Ukraine	5.2	10	2.5	3.1	3.5	10.2	Energy
2.	Ukrnafta	4.1	12	3.1	4.2	3.5	9.7	Energy
3.	Metinvest	6.3	14	2.8	5.0	3.5	11.1	Manufacturing
4.	DTEK	3.9	8	4.0	2.7	3.5	10.8	Energy
5.	Ukreximbank	2.5	9	5.0	6.0	3.5	9.5	Banking
6.	PrivatBank	1.8	7	5.5	7.5	3.5	9.8	Banking
7.	Kernel	3.0	6	4.2	6.8	3.5	10.0	Agriculture
8.	MHP	2.4	5	3.8	8.0	3.5	9.9	Agriculture
9.	Ferrexpo	4.5	10	2.9	4.5	3.5	10.4	Mining
10	Kyivstar	3.2	4	3.5	5.2	3.5	10.3	Telecommunications
11	Nova Poshta	2.1	6	3.2	9.0	3.5	9.6	Logistics
12	ArcelorMittal Kryvyi Rih	7.0	13	4.0	3.5	3.5	11.3	Manufacturing
13	Zaporizhstal	5.8	15	3.5	4.0	3.5	10.5	Manufacturing
14	Astarta-Kyiv	2.0	3	2.3	6.2	3.5	9.4	Agriculture
15	Interpipe	4.2	11	3.7	3.8	3.5	10.1	Manufacturing
16	Epicentrk	3.3	5	3.1	7.0	3.5	9.7	Retail
17	Vodafone Ukraine	2.6	4	3.5	6.5	3.5	10.2	Telecommunications
18	Ukrtelecom	3.4	7	2.9	5.3	3.5	10.0	Telecommunications
19	Ukrhydroenergo	2.8	6	4.2	6.3	3.5	9.8	Energy
20	Obolon	4.7	12	3.0	3.9	3.5	9.9	Manufacturing

Source: developed by the authors.

Figure 1. Financial Stability Index (Altman Z-score) and market valuation (price-to-book ratio)



Source: developed by the authors.

One important finding is that for the energy and industrial sectors, financial restatements alone lead to a 14.5% decline in ROA for companies such as Naftogaz of Ukraine, Ukrnafta, and Metinvest. Most of them operate in capital-intensive industries and where investor confidence plays a significant role in raising capital and maintaining operational integrity. As a state-owned energy giant, Naftogaz could ultimately spread financial misstatements throughout the economy and at the political level as a whole. The same applies to all large companies such as Zaporizhstal and ArcelorMittal Kryvyi Rih, which, together with the other four largest steel producers in Ukraine, are vital to the country's steel production and are unlikely to be able to withstand disruptions in their financial reporting, as such disruptions could negatively impact their credit ratings and access to export markets.

The analysis shows a 0.8% decrease in ROA due to daily financial reporting delays. This finding is particularly important for companies such as PrivatBank, Ukreximbank, and Kernel, which operate in highly competitive and time-sensitive sectors. Delays in reporting financial results, such as those at PrivatBank and Ukreximbank, can hurt customer confidence and deter potential investors, as these banks are now under special scrutiny following the 2014 economic reforms. Similarly, Kernel and MHP, leaders in the agricultural sector, depend on timely reporting to secure important contracts in international markets and to keep the supply chain as efficient as possible.

Management and audit quality are critical, as evidenced by the adverse negative impact of qualified or negative auditor opinions on ROA (-10.2%). Audits with negative opinions regarding the involved companies can negatively impact their internal control deficiencies and can be interpreted as a weakness in internal control of telecommunications companies such as Kyivstar and Vodafone Ukraine, which, in turn, can have a negative impact on their reputation in the market and their ability to attract business partnerships. Retail and logistics companies such as Nova Poshta and Epicentrk need to have reliable audit practices to counter the risks that result from rapid growth and complex operational processes.

Finally, the positive relationship between company size and ROA supports the idea that the return to scale and governance structure found in large companies help DTEK, Metinvest, and ArcelorMittal Kryvyi Rih. With their established financial structure and diversified sources of revenues, these companies are better positioned to absorb shocks caused by accounting failures. Furthermore, the impact of GDP growth on ROA and its positive impact on profitability across sectors is confirmed. When the revenues of companies in the consumer goods and energy sectors, like the two mentioned above, are largely dependent on domestic and international demand, these sectors are more sensitive to economic fluctuations.

The econometric model assumes industry differences, according to which banking firms have relatively higher ROA than others. For example, Ukreximbank and PrivatBank have resorted to regulatory reforms despite accounting failures to improve financial performance. On the other hand, industrial giants such as Interpipe and Ferrexpo are particularly vulnerable to the adverse impact of money-related announcement issues because they are constrained by volatile commodity prices and geopolitical risks.

4. Discussions

Most current studies examine quite similar themes and challenges, as well as the function of technology in improving business analytics and sustainability in accounting. For example, Chu and Yong (2021) examine the growing use of big data analytics in accounting and auditing, analysing how it can improve business analytics. This is supported by our study, which also recognizes the role of technological tools from big data to cloud accounting in modernizing accounting practices. Their findings are consistent with research that suggests that the use of big data will improve decision-making and the efficiency of accounting systems. However, the current study goes beyond this and further examines both the operational benefits, sustainability challenges, and risks associated with integrating these technologies.

Tettamanzi *et al.* (2022) show that financial accounting is linked to the dynamics of Environmental, Social and Governance (ESG) Strategy. They examine sustainability, a key issue of this study, where accounting practices need to consider non-financial issues to be fit for purpose, especially in times of crisis such as the COVID-19 pandemic. The current study shares Tettamanzi *et al.* (2022) view that ESG factors are central to accounting and extends this view by exploring how integrating sustainability strategy into accounting through technological tools will provide transparency and accountability in ESG reporting.

According to Lodhia *et al.* (2021), the changing needs of sustainability accounting in the post-pandemic era are forcing accounting systems to measure and create value through the use of non-financial indicators. This is consistent with our research that is based on a sustainability perspective, considering the environmental, social, and economic aspects of business. The study consists of the idea that accounting practices need to change from a simple split approach to a more integrated approach where non-financial data will be most useful for decision-making.

Adedoyin *et al.* (2021) and Al-Okaily *et al.* (2024) analyse the environmental consequences of the EU economic complications, examining the impact of Brexit and other economic crises on tourism. Although this study deals more with the macroeconomic level, its findings complement the analysis of our study in the case where crises and resilience interact with each other. This study is consistent with the findings of Adedoyin *et al.* (2021) that the complexity of the current economy requires a kind of accounting that is agile and sensitive to external shocks.

The study of Cho *et al.* (2022) emphasize the growing relevance of environmental risk accounting, the issue that is closely related to the focus of this study on environmental accounting. Our study supports their arguments, suggesting that accounting practices need to evolve to more fully reflect the risk of environmental crisis, and thus expand integrated technical accounting systems.

In particular, Levytska *et al.* (2022) distinguish risk-based approaches to the functioning of internal audit in financial monitoring systems. This study fills a gap in current research, also emphasizing the importance of having adequate internal controls and risk management strategies in place in view of new technological disruptions. According to their findings, our study concludes that accounting systems that are currently facing technological advances and environmental challenges will require further adaptation and suggests that a risk-based approach to relatively new technologies will be crucial for effective integration.

The study of Sydorchuk *et al.* (2024) examined the effects of digitalization in public administration, as well as in the field of national security and economic stability. Although they work only on public sector administration, their findings are relevant to our study, which aims to examine the broader picture of digitalization in accounting. Sydorchuk *et al.* (2024) believe that digitalization can improve the efficiency and accountability of systems such as accounting, and our research agrees with the idea that digital tools need to be further integrated into accounting practices to increase sustainability.

In Prokopenko *et al.* (2024), the social impact of innovative green entrepreneurship models for the benefit of local development is discussed. Our study adopts a perspective that also shares the idea that accounting promotes sustainable business practices. This is consistent with the idea of Prokopenko *et al.* (2024) that green entrepreneurship is necessarily innovative, often involving advanced accounting systems that allow for more accurate tracking and measurement of environmental and social impacts.

The study by Mazur *et al.* (2023) deals with capital management related to the rational structuring of financial resources of construction companies. Although the perspective is more focused on the area of capital management, the importance is obvious for the current research on resource allocation and sustainability. The study confirms the idea of Mazur *et al.* (2023) on the importance of effective resource management for sustainable development, especially for environmentally regulated industries and disruptive markets.

In general, our research is consistent with the current literature on how sustainability can be integrated with technology and accounting. In terms of ESG factors, this is consistent with the aforementioned studies, particularly with regard to the growing relevance and desire for more transparent and integrated accounting. However, building on these concepts, our research examines how these technological developments can be applied to accelerate the transformation of accounting systems in light of the environmental, social, and economic crises that are rapidly approaching the accounting field.

Limitations

The limitations of this study concern the impact of disruptions in accounting on the financial performance of Ukrainian companies. As the authors cover only 20 companies, the distribution of companies may not fully reflect the Ukrainian corporate sector. The authors would have had a better sample with a larger sample that includes more companies, especially SMEs. Moreover, relying on publicly available data may miss hidden disruptions in accounting within the company that do not result in restatements or audit opinions. Information on more detailed internal audit data can be obtained through interviews with accountants or managers. Although the study focuses on restatements, delay, and audit opinion, it does not include other influential factors such as the quality of corporate governance or industry characteristics. These variables, in addition to extending the time frame of the analysis to a longer period, should be included in further studies.

Recommendations

Further research may focus on additional macroeconomic variables as Ukraine's economic environment is likely to be so volatile. Using qualitative methods, i.e. interviews with financial managers or auditors, could help to better understand the relationship between accounting practices and financial performance. Finance teams should receive regular training to improve the accuracy, timeliness, and accessibility of financial reporting, and companies should implement more stringent internal controls to avoid errors that lead to misstatements. Another way to improve audit quality, which significantly affects financial performance, is to expand auditors' collaboration with external auditors. To increase investor confidence, policymakers should strengthen the regulatory framework for financial reporting and auditing practices to further align with international standards and increase transparency. These implementations will contribute to Ukraine's financial transparency, its economic growth and stability in the market..

Conclusions and Further Research

Disruptions in accounting, such as restatements, reporting delays, and adverse audit opinions, negatively impact the financial performance of Ukrainian companies. These disruptions impact short-term profitability and reveal governance issues that undermine investor confidence and market stability. Effective corporate governance, including transparent reporting, timely financial disclosure, and reliable audit relationships, is critical to mitigating these impacts.

The positive relationship between GDP growth and financial performance emphasizes the interaction between the macroeconomic and corporate levels. Larger companies benefit from the effect of scale, which enable them to deal with disruptions in accounting more effectively. Further research may focus on the longer-term impact of disruptions in accounting on market valuation and investor behaviour. Expanding the sample to include SMEs would provide a clearer picture of the broader economic impact. Incorporating detailed data, such as interviews with financial managers and auditors, can uncover the root causes of these disruptions. Research can also examine how reforms, such as strengthening audit committees, reduce the negative impact of accounting problems.

Longer study periods and additional macroeconomic variables, such as inflation or exchange rates, could offer a deeper understanding of how external factors affect accounting practices. This study contributes to the expansion of research on transition economies such as Ukraine. The study recommends reliable financial reporting, clear rules, and effective governance to ensure financial stability and market confidence.

Credit Authorship Contribution Statement

Mohammad Ahmad Alnaimat: Conceptualization, Validation, Project administration.
Natalya Malyuga: Investigation, Writing – review and editing, Methodology.
Volodymyr Shevchuk: Writing – original draft, Software.
Alona Khmeliuk: Formal analysis, Data curation.
Oleksii Naidenko: Supervision, Visualization.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Declaration of Use of Generative AI and AI-Assisted Technologies

The authors declare that they have not used generative AI and AI-assisted technologies during the preparation of this work.

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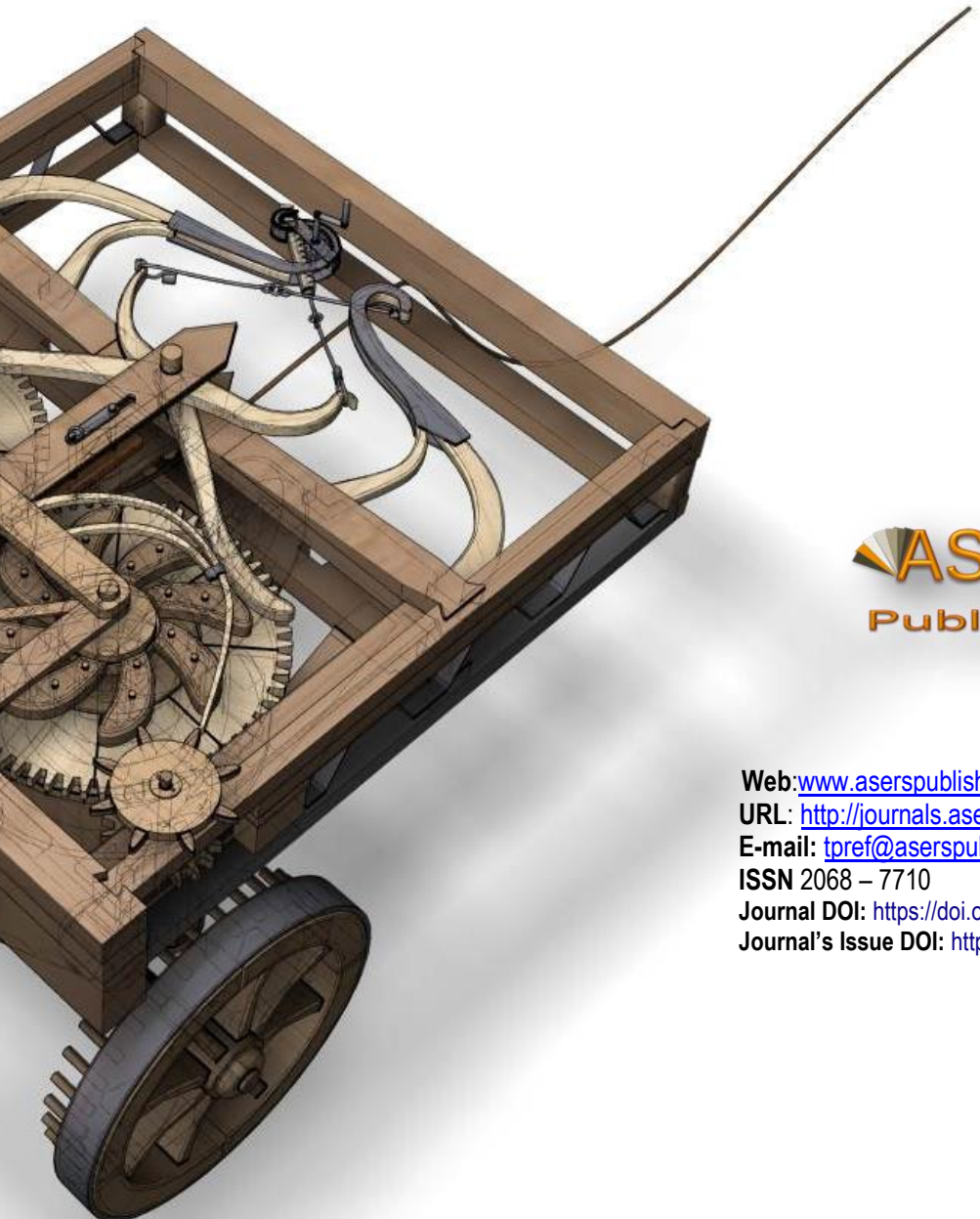

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