

Study of Financial Market and the Role of Financial Accounting

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Abstract: *The financial market acts as a pivotal component of the global economy, facilitating the exchange of capital and ensuring economic growth. Financial accounting plays a crucial role in these markets by providing transparency, enhancing trust, and ensuring market efficiency through accurate and consistent financial reporting. This paper delves into the relationship between financial markets and accounting practices, exploring how accounting influences investor behavior, market stability, and decision-making processes. Through an extensive review of literature, surveys, and data analysis, this study offers valuable insights into the critical role of financial accounting in the functioning of financial markets. The findings emphasize the need for consistent accounting standards, particularly in light of global market integration, and point to challenges such as discrepancies between accounting standards, regulatory inefficiencies, and the impact of technological advancements on market behavior.*

Keywords: Financial Markets, Financial Accounting, Market Efficiency, Transparency, Decision-Making, Financial Reporting, Economic Stability, Capital Allocation