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Comparative Analysis of Financial Performance of the Accommodation and Food Services Sector within the Framework of TFRS and BOBI FRS

Hakkı Kıymık[1]

Abstract: *This study aims to comparatively analyze the financial performance of enterprises operating in the accommodation and food services sector for the period 2018-2022 based on the financial reporting standards they apply, namely Türkiye Financial Reporting Standards (TFRS) and the Financial Reporting Standard for Large and Medium-Sized Enterprises (BOBI FRS). For this purpose, the data obtained from the consolidated financial statements published by the Public Oversight, Accounting and Auditing Standards Authority (POA) and covering the period 2018-2022 were used. In the study, financial ratios (liquidity ratios, financial structure ratios, turnover ratios and profitability ratios) of the sector were analyzed. In addition, Zmijewski and Grover models were used to assess the risks of financial failure and success levels. According to the results of the analysis, enterprises applying TFRS generally have stronger liquidity structure, more stable profitability ratios and lower financial risk indicators. On the other hand, it is observed that enterprises applying BOBI FRS exhibit a more fragile financial structure, especially during crisis periods. The results of the Zmijewski and Grover models also support that IFRS adopters exhibit a more resilient financial performance despite periodic fluctuations.*

Keywords: Risk of Financial Failure, Ratio Analysis, Financial Reporting Standards, Accommodation and Food Services Sector

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1. Introduction

With globalization, the working conditions of businesses have gained a dynamic and complex structure. Businesses need to adapt to the changing structure, increase their competitiveness and differentiate in the market to sustain their existence. Businesses that do not take the necessary precautions against the changes in this structure and do not react to the developments in the economic field are faced with financial failure (Jawabreh et al., 2017: 142). Financial failure is defined as a business being in bankruptcy, experiencing liquidation, facing foreclosure problems stopping its activities, declaring concordat and appointing a trustee (Altman & Hotchkiss, 2006: 4). The reason for financial failure is the operational, financial or managerial problems of the business (Suresh et al., 2022: 98). In addition, financial failure consists of two basic factors. The first of these factors are internal factors such as decreased profit growth, lack of liquidity and management, increased expenses and debts of the business, while external factors such as changing government policies, instability in the exchange rate, increase in interest rates (Ikpesu et al., 2020:

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[1] PhD., Isparta University of Applied Sciences, Buyukkutlu Faculty of Applied Sciences, Accounting and Financial Management, Isparta, Turkiye, hakkikiymik12@gmail.com

105-108). For this reason, it is of great importance to identify and manage financial failure and bankruptcy risk for the sustainability of accommodation businesses (Karadeniz & Öcek, 2019: 100).

Türkiye's tourism revenue increased by 8.3% in 2024 compared to the previous year, reaching $61 billion 103 million. In 2023, tourism revenue amounted to $54 billion 315 million. Thus, Türkiye recorded a significant increase in tourism revenue on an annual basis in 2024. (TÜİK, 2025). The hospitality sector is one of the most important sectors of the Türkiye economy and is seen as the main source of meeting the foreign exchange needs of the country's economy. However, accommodation businesses face global competition, financial crises, economic fluctuations, terrorist incidents, natural disasters and internal factors (Ertürk, 2024: 950). In addition, the decrease in the number of people working in the hospitality sector affects the continuity of businesses by reducing inefficiency, financial sustainability and mobility and even leads to bankruptcy (Atang et al., 2022: 1468).

The COVID-19 pandemic, which emerged in late 2019 and became a global crisis, significantly disrupted economic activities all over the world (Kıymık & Karaçadır, 2023: 90). Especially the accommodation and food services sector, where social interaction and mobility are essential, has been among the sectors most affected by this process. Due to travel restrictions, curfews and hygiene concerns, many businesses had to suspend or close their operations, which seriously threatened the sector's revenues and sustainability (Ciritci, 2020: 171). The pandemic caused not only short-term liquidity problems in the sector, but also long-term financial structure disruptions (Karamahmutoğlu, 2022: 36). In this context, it is of great importance to make an assessment by taking into account the impact of the pandemic years in the 2018-2022 period covered by the study on sectoral data.

This study aims to assess the risks of financial failure by systematically examining the financial structure and performance of companies operating in the accommodation and food services sector. In this direction, financial ratio analysis was performed using the sector balance sheets and income statements published by the POA for the period 2018-2022, and the risk of financial failure was analyzed through Grover and Zmijewski models. In the study, both the financial ratios and failure risks of enterprises applying TFRS and BOBI FRS are evaluated comparatively. In this respect, the study is one of the rare comparative analyses conducted on sector-level data disaggregated according to TFRS and BOBI FRS reporting, which is limited in the literature. Moreover, thanks to the analysis period covering the pandemic years, the financial vulnerabilities and recovery process of the sector can be monitored periodically, which provides a dynamic perspective to the literature.

The rest of the study is structured as follows. In the second section, the literature review on the subject is presented and different models for the sector's risk of financial failure and their applications are evaluated. In the third section, the purpose, scope, data set and methodological approach of the study are explained. In the fourth section, the findings obtained through financial ratio analysis and Zmijewski and Grover models are presented and interpreted in detail. In the last section, a general evaluation is made in the light of the findings and suggestions are made for future studies.

2. Literature Review

Various models have been developed in the literature to predict financial failure risk. Among these, Altman Z Score, Springate, Fulmer, Ohlson O-Score, Grover, and Zmijewski models stand out. The Altman Z model has a high accuracy rate in predicting financial failure across different sectors and is widely used (Barreda et al., 2017). While Springate and Fulmer models assess short-term financial risks with liquidity and profitability indicators, the Ohlson O-Score predicts business bankruptcy using statistical regression techniques. The Grover model analyzes financial performance by considering financial indicators such as earnings before interest and taxes (Fauzi et al., 2021). The Zmijewski model determines bankruptcy risk using variables like net profit, debt ratio, and liquidity (Türedi et al., 2023). These models have been accepted in the literature as important tools for early detection and prevention of financial failure risk.

It has been demonstrated in various studies that financial failure risk is shaped by sectoral dynamics. Terzi (2011) evaluated the financial failure risk of 22 food companies operating in Borsa Istanbul using the

Altman Z model and reported that the model has a 90.9% accuracy rate. Mizdraković et al. (2015) analyzed financial performance in the hotel sector in Serbia using models such as Altman Z and M-Score, noting that risk increased in 2011. Karadeniz and Öcek (2018, 2020) revealed sectoral fragility by comparing different models in the accommodation sector in Europe and Türkiye. Additionally, Karadeniz and Öcek (2019) emphasized the inadequacy of financial indicators such as net working capital, cash flow, and profitability in accommodation businesses listed on Borsa Istanbul. These studies show that financial failure analyses should be addressed specifically to the sector and period.

The accommodation and food services sector is one of the sectors with high financial fragility that is directly affected by external crises, especially the COVID-19 pandemic. Jawabreh et al. (2017) conducted financial risk analysis in Jordan's accommodation sector using the Altman Z model, showing that significant risks existed even before the pandemic. Atang et al. (2022) revealed the increasing financial fragility of the hotel sector in Indonesia during the pandemic period using panel data analysis. Ertürk (2024) examined the effects of the pandemic process on financial failure in the Borsa Istanbul Tourism Index. In Türkiye, researchers such as Karadeniz et al. (2021) and Yalçın and Kablan (2024) evaluated the performance of the sector during the pandemic and discussed the resilience levels of the sector. Beyaz et al. (2022) analyzed financial risk differences in accommodation and food services sub-sectors using Central Bank of Türkiye data. Suresh et al. (2022) used the Zmijewski model to detect bankruptcy risk in the Indonesian tourism sector.

The contribution of this study to the literature is that it comparatively analyzes financial performance and failure risks according to TFRS and BOBI FRS reporting standards using sector data subject to independent audit published by the POA. Furthermore, by covering the 2018-2022 period, which includes the effects of the pandemic, it offers an original approach by examining the crisis and recovery processes of the sector periodically. In this context, the study constitutes an important example among the limited comparative analyses based on reporting standards on a sectoral basis in the literature.

3. Data and Method

The purpose of this study is to examine the financial structure and performance of enterprises operating in the accommodation and food services sector comparatively within the scope of Türkiye Financial Reporting Standards (TFRS) and the Financial Reporting Standard for Large and Medium-Sized Enterprises (BOBI FRS). By analyzing the financial ratios of enterprises applying TFRS and BOBI FRS for the period 2018-2022, the effects of different reporting standards on financial structure, profitability, liquidity, and risk of financial failure are evaluated. Zmijewski Z-score and Grover G-score analyses are used to measure the financial success and sustainability of the enterprises, and the role of accounting standards in shaping financial analysis outcomes is highlighted. In Türkiye, TFRS is applied by public interest entities (PIEs) such as listed companies, banks, and insurance companies, whereas BOBI FRS applies to non-PIEs that meet certain size thresholds and are subject to independent audit. TFRS is aligned with International Financial Reporting Standards (IFRS) and aims to provide comprehensive, transparent, and globally comparable financial information for publicly accountable entities. BOBI FRS, by contrast, is a simplified framework designed for large and medium-sized enterprises outside the PIE scope, with fewer disclosure and reporting requirements. The primary distinction between the two lies in their scope, complexity, and level of detail - TFRS being more extensive and internationally harmonized. Therefore, the comparison of enterprises applying TFRS and BOBI FRS in this study enables an analysis of how differences in reporting obligations affect financial performance (Tek & Öztürk, 2023: 107).

To improve the quality of financial reporting and provide comprehensive data for the analysis of sectoral dynamics, the POA compiles annual financial information of independently audited enterprises on a sectoral basis and discloses it to the public under the name of “Sectoral Data Subject to Independent Audit”. In this study, the aforementioned data sets of the POA covering the 2018-2022 period were obtained from “www.kgk.gov.tr/sektorverileri”. Since the data for the years 2023 and 2024 have not yet been published by the POA during the study period, the years 2018-2022 have been selected as the examination period. In the study, financial data of enterprises operating in the accommodation and food services sector and subject to independent audit were used. In this context, the data sets of the enterprises that are obliged to apply TFRS

and BOBI FRS, reported separately by the POA, were taken into consideration. Sectoral financial statements created by consolidating the balance sheets and income statements of these enterprises for the years 2018-2022 were used as the main data source to analyze the financial performance of the sector.

Table 1. Financial Ratios Used in the Study

	Ratio	Formula
Liquidity Ratios	Current Ratio	Current Assets / Current Liabilities
	Quick Ratio (Acid Test)	(Current Assets - Inventory) / Current Liabilities
	Cash Ratio	(Cash + Cash Equivalents + Marketable Securities) / Current Liabilities
	Inventory Dependency Ratio	(Current Liabilities - (Cash + Marketable Securities)) / Inventory
Financial Structure Ratios	Debt to Equity Ratio	Total Liabilities / Shareholders' Equity
	Financial Leverage Ratio	Total Liabilities / Total Assets
	Long-term Debt Ratio	Long-term Liabilities / Total Assets
	Current Liabilities to Total Liabilities Ratio	Current Liabilities / Total Liabilities
	Total Debt to Equity Ratio	Total Liabilities / Shareholders' Equity
	Total Debt Ratio	Total Liabilities / Total Assets
	Interest Coverage Ratio	Earnings Before Interest and Tax (EBIT) / Interest Expenses
	Equity to Total Assets Ratio	Shareholders' Equity / Total Assets
Turnover Ratios	Asset Turnover	Net Sales / Average Total Assets
	Current Asset Turnover	Net Sales / Average Current Assets
	Inventory Turnover	Cost of Goods Sold / Average Inventory
	Accounts Receivable Turnover	Net Sales / Average Accounts Receivable
	Days Inventory Outstanding	365 / Inventory Turnover
	Days Sales Outstanding	365 / Accounts Receivable Turnover
	Fixed Asset Turnover	Net Sales / Average Fixed Assets
	Tangible Fixed Asset Turnover	Net Sales / Average Tangible Fixed Assets
	Operating Cash Flow to Current Liabilities Ratio	Cash Flow from Operating Activities / Current Liabilities
	Accounts Payable Turnover	Cost of Goods Sold / Average Accounts Payable
	Days Payable Outstanding	365 / Accounts Payable Turnover
	Cash Conversion Cycle	Days Inventory Outstanding + Days Sales Outstanding - Days Payable Outstanding
Profitability Ratios	Return on Equity (ROE)	Net Income / Average Shareholders' Equity
	Return on Assets (ROA)	Net Income / Average Total Assets
	EBIT to Average Assets	EBIT / Average Total Assets
	Profit Margin	Net Income / Net Sales
	Gross Profit Margin	Gross Profit / Net Sales
	Cost of Goods Sold to Revenue Ratio	Cost of Goods Sold / Net Revenue
	Research and Development Expenses to Revenue Ratio	R&D Expenses / Net Revenue
	Marketing, Sales and Distribution Expenses to Revenue Ratio	Marketing, Sales and Distribution Expenses / Net Revenue
	General Administrative Expenses to Revenue Ratio	General Administrative Expenses / Net Revenue
	Operating Profit to Revenue Ratio	Operating Profit / Net Revenue
	Other Income to Revenue Ratio	Other Operating Income / Net Revenue
	Other Expenses to Revenue Ratio	Other Operating Expenses / Net Revenue
	EBIT to Revenue Ratio	EBIT / Net Revenue
	Financial Expenses to Revenue Ratio	Financial Expenses / Net Revenue
	Tax Expense to Revenue Ratio	Tax Expense / Net Revenue

In this framework, the study aims to evaluate sectoral dynamics and financial sustainability by systematically analyzing the financial structure and performance of the accommodation and food services sector. In the evaluation process, Zmijewski Z-score and Grover G-score models were used in addition to financial ratios to measure the financial health of the sector and to perform comparative analyses.

In this study, various ratio analyses were applied under the groups of liquidity, financial structure, operating and profitability ratios to evaluate the financial performance of the sector. These ratios enable periodic comparative analysis of the short and long term financial adequacy, resource utilization efficiency and profitability structures of enterprises. Ratio analysis stands out as one of the most widely used methods among financial analysis techniques (Karadeniz, 2016: 103). The financial ratios used in the study are shown in Table 1.

Within the scope of the study, Zmijewski model and Grover model are used to measure the risk of financial failure. In this context, the Zmijewski model was developed by Zmijewski (1984) and is an approach to determine the risk of financial failure through the Z-score calculated in line with the financial data obtained from the financial statements of the enterprises (Türedi et al., 2023: 89). The mathematical formulation of the model and the explanations of the variables in the model are presented below.

$$Z - Score = -4.336 - 4.513Z_1 + 5.769Z_2 + 0.004Z_3 \quad (1)$$

Z_1= Net Profit or Loss for the Period / Total Assets

Z_2= Total Debt / Total Assets

Z_3= Current Assets / Short-Term Debt

According to the Zmijewski (1984) model, in the classification made according to the threshold values determined for the Z-score; a Z-score less than 0 indicates financial health and a Z score greater than 0 indicates a risk of financial failure.

The Grover model is a financial ratio model that aims to predict the risk of financial failure (bankruptcy) of enterprises and was developed by Grover (2001) (Gürol & Özparlak, 2022: 249). This model was introduced to the literature by Prihanthini and Sari (2013). The model evaluates the financial position of the company through the G-score calculated over three basic financial variables (Fauzi et al., 2021: 662-63). The mathematical formulation of the model and the explanations of the variables in the model are presented below.

$$\mathrm{G - Score} = 1.650G_1 + 3.404G_2 - 0.016G_3 + 0.057 \quad (2)$$

G_1 = Net Working Capital / Total Assets

G_2 = Earnings Before Interest and Taxes / Total Assets

G_3 = Net Profit or Loss for the Period / Total Assets

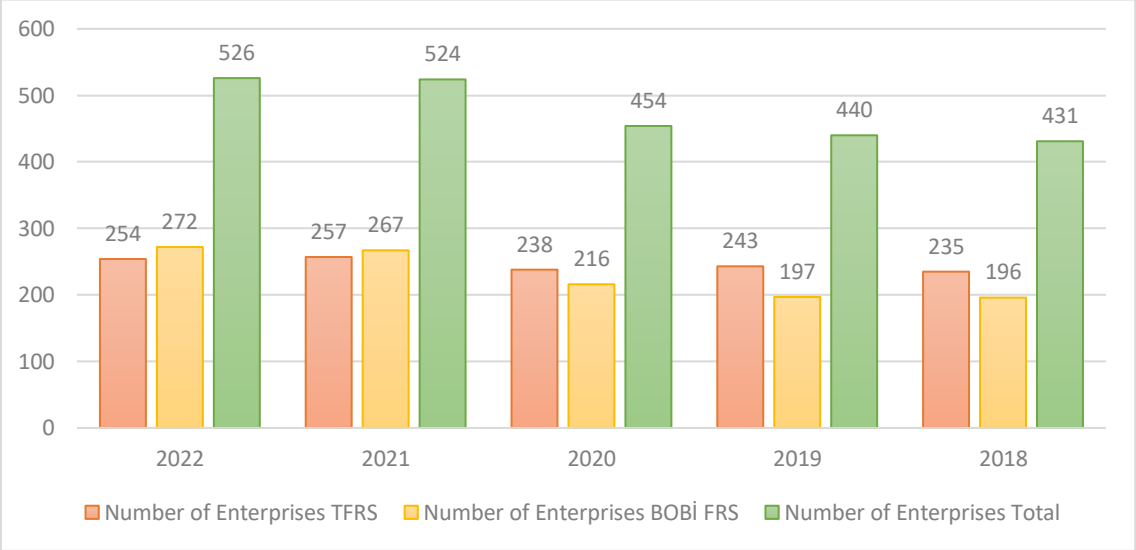
In the Grover model the financial condition of the enterprises is classified within certain thresholds according to the calculated G-score. Accordingly, a G-score of 0.01 or higher indicates that the business is financially successful, while values between -0.02 and 0.01 indicate a gray area that does not allow a clear assessment, and values of -0.02 or lower indicate that the business is financially unsuccessful (Fauzi et al., 2021: 662-63).

4. Findings

Figure 1 shows the number of enterprises operating in the accommodation and food services sector between 2018 and 2022 and applying TFRS and BOBI FRS. The number of enterprises adopting both reporting standards has increased over the years. The total number of 431 enterprises in 2018 increased to 526 by 2022. There is also an upward trend in the number of enterprises applying TFRS and BOBI FRS. This shows that financial reporting standards have become widespread in the sector and the number of registered

enterprises has grown. Especially, the increase in the post-2020 period showed that the sector recovered after the pandemic and the sectoral vitality increased.

Figure 1. Number of Establishments in the Accommodation and Food Services Sector



In Table 2, liquidity ratios for accommodation and food services operations are categorized based on enterprises applying TFRS and BOBI FRS. This table, which covers the period 2018-2022, allows for comparative analysis in terms of short-term debt repayment capacity and cash management performance of the enterprises.

Table 2. Liquidity Ratios

Year	*2018*		*2019*		*2020*		*2021*		*2022*	
Standards	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS
Current Ratio	0.99	0.93	1.04	0.96	0.98	0.83	1.63	0.96	1.03	0.92
Quick Ratio (Acid Test)	0.66	0.63	0.68	0.65	0.6	0.61	1.14	0.85	0.63	0.67
Cash Ratio	0.16	0.25	0.16	0.26	0.23	0.25	0.6	0.22	0.24	0.3
Inventory Dependency Ratio	4.89	3.43	4.61	2.99	3.98	4.59	1.04	9.19	3.68	3.38

The current ratio measures a company's short-term debt-paying ability and should ideally be above level 1. For companies applying TFRS, this ratio remained close to 1 during the period between 2018 and 2020. In 2021, it rose to 1.63, showing a significant improvement in liquidity. However, in 2022, it retreated to 1.03. For companies applying BOBI FRS, the current ratio remained below 1 in all years. The highest value throughout the analysis period was 0.96, which is still below the ideal level. This situation has shown that companies applying BOBI FRS have a weaker capacity to cover short-term debts and have a higher level of financial risk.

The acid-test ratio remained below the level 1 in all years except 2021 for companies applying TFRS. Balance sheet data confirms that the rise to 1.14 in 2021 was due to increases in non-inventory assets. However, this improvement was not permanent, and the ratio decreased again in 2022. For companies applying BOBI FRS, the acid-test ratio was lower every year compared to companies applying TFRS. This situation showed that companies applying BOBI FRS have a higher liquidity risk.

The cash ratio measures a company's ability to meet its short-term obligations. For companies applying TFRS, this ratio rose to 0.60 in 2021, indicating a significant cash accumulation. In other years, this

ratio remained between 0.16 and 0.24, revealing a low liquidity risk. For companies applying BOBI FRS, this ratio remained more stable. This situation showed that companies applying BOBI FRS were more cautious in cash management.

The inventory dependency ratio shows how much of the current assets consists of inventory. For companies applying TFRS, this ratio was around level 4 between 2018 and 2020. This situation revealed that liquidity in TFRS applying companies was largely dependent on inventories. This ratio, which fell to 1.04 in 2021, rose to 3.68 in 2022, returning to its former structure. For companies applying BOBI FRS, this ratio rose to as high as 9.19 in 2021. This situation showed that companies applying BOBI FRS maintained their current ratio almost entirely with inventories and had insufficient liquid assets.

The pandemic negatively affected the liquidity structure of companies as of 2020 and created risks, especially in paying short-term debts. Companies applying TFRS saw improvements in current ratio and acid-test ratios in 2021. However, this improvement could not be sustained in 2022. Companies applying BOBI FRS displayed a more cautious performance. Therefore, the recovery rate in liquidity remained limited. For both groups, high inventory dependency created vulnerability due to the slowness in the cash conversion process. Especially in the BOBI FRS group, the increase in the inventory dependency ratio to 9.19 in 2021 indicated that temporary solutions based on inventories were sought as liquid assets were depleted.

In Table 3, financial structure ratios for accommodation and food services activities are presented based on enterprises applying TFRS and BOBI FRS. This table, which covers the 2018-2022 period, allows for comparative analysis in terms of financial structure.

The total liabilities/equity ratio decreased from 1.66 in 2018 to 1.2 in 2022 for enterprises applying TFRS, indicating that the debt/equity balance has improved and the financial structure has strengthened. While the same ratio was 3.67 in 2018, it reached a very high level of 23.4 in 2021, but decreased to 3.15 in 2022. In 2021, this ratio within the scope of BOBI FRS showed that there was a serious erosion in shareholders' equity. The consolidated statement of financial position for the period also proves this situation.

The total liabilities/assets ratio in companies applying TFRS decreased from 0.62 in 2018 to 0.55 in 2022, indicating a reduction in financial risk. In companies applying BOBI FRS, the same ratio declined from 0.79 in 2018 to 0.76 in 2022, but still maintained a high level. This situation has shown that companies applying BOBI FRS finance a large portion of their assets with debt and therefore have a riskier financial structure.

Table 3. Financial Structure Ratios

Year	*2018*		*2019*		*2020*		*2021*		*2022*	
Standards	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS
Debt to Equity Ratio	1.66	3.67	1.51	3.14	1.5	14.05	1.33	23.4	1.2	3.15
Financial Leverage Ratio	0.62	0.79	0.6	0.76	0.6	0.93	0.57	0.96	0.55	0.76
Long-term Debt Ratio	0.28	0.42	0.29	0.38	0.33	0.49	0.2	0.35	0.27	0.32
Current Liabilities to Total Liabilities Ratio	0.56	0.46	0.52	0.5	0.45	0.48	0.65	0.63	0.51	0.57
Total Debt to Equity Ratio	0.87	2.49	0.84	1.97	0.95	9.49	0.66	6.8	0.63	1.76
Total Debt Ratio	0.33	0.53	0.33	0.48	0.38	0.63	0.28	0.28	0.29	0.42
Interest Coverage Ratio	1.16	0.83	1.31	1.54	0.47	0.03	1.77	0.73	2.17	1.32
Equity to Total Assets Ratio	0.38	0.21	0.4	0.24	0.4	0.07	0.43	0.04	0.45	0.24

When examining the long-term liabilities/total assets ratio, this ratio in companies applying TFRS ranged between 0.28-0.33 during the 2018-2022 period and decreased to 0.20 in 2021, showing a reduction in debt burden. In companies applying BOBI FRS, this ratio followed a fluctuating course between 0.32-0.49. The observation that long-term borrowing increased in some years has revealed that the financial structure in companies applying BOBI FRS is more volatile.

The short-term liabilities/total liabilities ratio decreased from 0.56 to 0.51 in companies applying TFRS, indicating a trend towards longer-term debt. In companies applying BOBI FRS, this ratio increased from 0.46 to 0.57. This situation showed that short-term debts increased in companies applying BOBI FRS, and liquidity risk rose. Companies applying both standard groups have a structure based on short-term debts. However, while the transition to long-term debt in TFRS applying companies is a positive development, an opposite trend was observed in companies applying BOBI FRS.

The total borrowings/equity ratio in TFRS applying companies decreased from 0.87 to 0.63 during the analysis period between 2018-2022, revealing that financial risk decreased and the equity-weighted structure strengthened. In companies applying BOBI FRS, although this ratio decreased from 2.49 to 1.76, the highly leveraged structure continued during the 2020-2021 period. This situation showed that the debt dependency of companies applying BOBI FRS continued and the risk persisted in the long term.

When examining the total debt/total assets ratio, this ratio, which decreased from 0.33 to 0.29 in companies applying TFRS, has shown that companies are financed with less debt and equity usage has increased. Even though this ratio declined from 0.53 to 0.42 in companies applying BOBI FRS, it peaked in 2020, revealing that companies applying this standard have a higher debt structure. However, an improvement in this ratio was observed during the 2021-2022 period.

The financial expense coverage ratio in companies applying TFRS increased from 1.16 to 2.17, revealing a significant increase in debt repayment capacity. In companies applying BOBI FRS, this ratio rose from 0.83 to 1.32. While this is considered a positive development, in 2020, this ratio declined to as low as 0.03, showing that financial expenses were almost impossible to cover and a serious liquidity crisis was experienced.

The equity/total assets ratio, which increased from 0.38 to 0.45 in companies applying TFRS, revealed decreased debt dependency and strengthened financial structure. Although this ratio increased from 0.21 to 0.24 in companies applying BOBI FRS, it still remained at low levels. Especially the decline of this ratio to 0.04 in 2021 showed that companies applying BOBI FRS experienced serious financial fragility.

Based on the pandemic period, a steady strengthening was observed in the financial structures of companies applying TFRS with decreasing debt ratios and increasing equity. In contrast, companies reporting under BOBI FRS experienced weakening in their financial structures, increased indebtedness, and decreased capacity to cover financial expenses during the 2020-2021 period. This situation revealed that companies applying BOBI FRS have a more fragile structure during crisis periods. The increase in the debt/equity ratio of companies applying BOBI FRS to 23.4 in 2021 clearly showed the negative impact of the pandemic on equity. The increase in short-term liabilities during the same period indicated that the debt structure became riskier.

In Table 4, the turnover ratio rates for accommodation and food service activities are shown on the basis of businesses applying TFRS and BOBI FRS. The table, covering the period 2018–2022, provides important information for the comparative analysis of turnover ratios.

The asset turnover ratio in companies implementing TFRS has shown a slight decrease, declining from 0.76 in 2018 to 0.64 in 2022. However, despite this downward trend, a short-term recovery was observed in 2021. The fluctuation in asset turnover during the analysis period reflects the variability in asset utilization efficiency due to the impact of the pandemic. In companies implementing BOBI FRS, this ratio increased from 0.56 to 1.10, with a significant increase particularly observed in 2022. This increase in the asset turnover ratio, specifically for companies implementing BOBI FRS is an indicator that assets are being used more effectively and that operational improvements have been implemented. Compared to TFRS, this

improvement in the asset turnover ratio has shown that companies implementing BOBI FRS have gained financial flexibility.

When the current asset turnover ratio is examined, it was realized as 2.71 in companies applying BOBI FRS in 2022 and was higher compared to companies applying TFRS. This situation demonstrated that companies applying BOBI FRS converted their current assets into sales more quickly. Under TFRS, the current asset turnover ratio showed a partial recovery in 2022 following the decline in 2020. However, the consistent increase observed on the BOBI FRS side revealed the performance difference. Therefore, it has been demonstrated that companies applying BOBI FRS had stronger asset utilization efficiency.

The inventory turnover ratio in companies applying TFRS, which was 10.57 in 2018, followed a fluctuating course throughout the analysis period and was realized at the level of 8.75 in 2022. In companies applying BOBI FRS, the inventory turnover ratio increased from 4.96 to 9.59. Especially in 2021, a significant increase of 13.81 was observed in this ratio. This situation demonstrated that companies applying BOBI FRS achieved significant efficiency in inventory management in 2021, while companies applying TFRS experienced a more stable process.

Table 4. Turnover Ratios

Year	2018		2019		2020		2021		2022	
Standards	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS
Asset Turnover	0.76	0.56	0.78	0.7	0.4	0.46	0.73	0.67	0.64	1.1
Current Asset Turnover	2.23	1.65	2.34	1.97	1.53	1.25	1.24	1.2	2.23	2.71
Inventory Turnover	10.57	4.96	10.94	5.88	6.56	4.91	3.53	13.81	8.75	9.59
Accounts Receivable Turnover	4.72	4.95	5.15	6.53	5.16	4.17	3.76	12.94	7.23	8.75
Days Inventory Outstanding	34.53	73.59	33.36	62.07	55.64	74.34	103.4	26.43	41.71	38.06
Days Sales Outstanding	77.33	73.74	70.87	55.9	70.74	87.53	97.07	28.21	50.48	41.71
Fixed Asset Turnover	1.16	0.84	1.18	1.08	0.55	0.72	1.75	1.51	0.89	1.86
Tangible Fixed Asset Turnover	1.6	1.02	1.63	1.34	0.78	0.87	2.16	3.01	1.29	2.33
Operating Cash Flow to Current Liabilities Ratio	0.31	0.13	0.22	0.22	-0.02	-0.17	0.16	0.01	0.6	0.27
Accounts Payable Turnover	4.01	4.34	4.32	6.03	4	4.75	2.51	13.87	6.03	7.28
Days Payable Outstanding	91.01	84.13	84.52	60.56	91.32	76.78	145.54	26.31	60.53	50.13
Cash Conversion Cycle	20.85	63.2	19.71	57.41	35.06	85.09	54.93	28.33	31.66	29.64

The receivables turnover ratio, which was 4.72 in 2018, increased to 7.23 in 2022, revealing that the receivables collection speed of companies applying TFRS increased. In companies applying BOBI FRS, a more significant increase was experienced. This ratio, which was 4.95 in 2018, increased to 8.75 in 2022. This situation demonstrated that companies applying BOBI FRS performed more effectively in collection management. This trend observed in both companies applying TFRS and BOBI FRS revealed that liquidity strengthened and cash flows were positively affected. However, the higher rate of increase in companies applying BOBI FRS compared to companies applying TFRS showed that they took more strategic steps in receivables management.

For the days inventory held ratio, in companies applying BOBI FRS, the period decreased significantly from 73.59 days to 38.06 days, showing improvement. This improvement showed that inventory management became more effective and inventory turnover increased. In companies applying TFRS, the days inventory held increased from 34.53 days to 41.71 days. This situation showed that inventories were held longer in companies applying TFRS. Therefore, it was observed that companies applying BOBI FRS increased inventory efficiency during this period, while companies applying TFRS experienced a weakening in inventory management throughout the analysis period.

A decrease was observed in the receivables collection period for companies applying both standards. This period decreased from 77.33 days to 50.48 days in companies applying TFRS, and from 73.74 days to 41.71 days in companies applying BOBI FRS. This situation revealed that companies accelerated their cash cycle and increased collection efficiency. Particularly, the shorter collection period of companies applying BOBI FRS created an effect that reduced liquidity risks. In general, this situation showed that positive financial discipline was established in both companies applying TFRS and BOBI FRS.

Regarding fixed asset and tangible fixed asset turnover, in companies applying TFRS, the fixed asset turnover decreased from 1.16 to 0.89, and the tangible fixed asset turnover decreased from 1.6 to 1.29, indicating a slight loss of efficiency. In companies applying BOBI FRS, the fixed asset turnover increased notably from 0.84 to 1.86, and the tangible fixed asset turnover increased from 1.02 to 2.33. This situation revealed that companies applying BOBI FRS used their fixed assets more effectively.

For the operating cash flow to current liabilities ratio, although this ratio for companies applying TFRS followed a fluctuating course during the analysis process, it increased from 0.31 to 0.60, showing a significant increase in cash generation capacity. In companies applying BOBI FRS, this ratio increased from 0.13 to 0.27. This increase showed that cash flows of companies applying BOBI FRS were weaker but in a recovery trend. The fact that this ratio increased in 2022 in both companies applying TFRS and BOBI FRS showed an improvement in the ability of cash generated from operations to meet short-term liabilities; however, the relatively low level in companies applying BOBI FRS revealed that there was still a need for improvement in cash management.

Regarding trade payables turnover ratio and trade payables payment period, in companies applying TFRS, the trade payables ratio increased from 4.01 to 6.03, and in companies applying BOBI FRS, it increased from 4.34 to 7.28. Despite this, payment periods decreased from 91.01 days to 60.53 days in companies applying TFRS and from 84.13 days to 50.13 days in companies applying BOBI FRS. This situation revealed that companies applying both standard groups paid their debts faster. Despite the increased debt ratios, the shortened payment periods are a result of improvement in cash management.

The cash conversion cycle decreased significantly from 63.20 days to 29.64 days in companies applying BOBI FRS. This situation showed that operational efficiency was increased in inventory management, receivables collection, and debt payment processes. In companies applying TFRS, the increase of this period from 20.85 days to 31.66 days showed a partial slowdown in the cash flow cycle. This situation revealed that companies applying BOBI FRS performed liquidity management more effectively as of the analysis period.

The pandemic negatively affected the operational efficiency of companies in 2020. Especially in large-scale companies applying TFRS, significant decreases were experienced in activity ratios such as inventory turnover and asset turnover. The main reasons for this decline are the decreased demand and contraction in operating volume due to the pandemic. By 2021, an increase was observed in the asset turnover rates of smaller-scale companies reporting under BOBI FRS. This situation reflects the efforts of small businesses to survive by reducing their inventories and quickly converting their assets into cash in a crisis environment. Thus, the pandemic affected the operational efficiency and crisis responses of different sized enterprises in a distinctive manner.

In Table 5, profitability ratios related to accommodation and food services activities are presented for the 2018-2022 period based on businesses implementing TFRS and BOBI FRS. This comparative analysis provides important information about the financial performance of the businesses.

Table 5. Profitability Ratios

Year	2018		2019		2020		2021		2022	
Standards	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS	TFRS	BOBI FRS
Return on Equity (ROE)	0.01	-0.14	0.03	0.19	-0.11	-1.13	0.19	-0.63	0.22	0.22
Return on Assets (ROA)	0	-0.03	0.01	0.04	-0.05	-0.15	0.08	-0.04	0.09	0.04
EBIT to Average Assets	0.1	0.13	0.08	0.15	0.04	0.01	0.24	0.08	0.19	0.22
Profit Margin	0	-0.06	0.02	0.06	-0.12	-0.33	0.12	-0.06	0.15	0.04
Gross Profit Margin	0.17	0.29	0.18	0.26	0.16	0.14	0.32	0.09	0.23	0.22
Cost of Goods Sold to Revenue Ratio	0.83	0.71	0.82	0.74	0.84	0.86	0.68	0.91	0.77	0.78
Research and Development Expenses to Revenue Ratio	0.04	0.04	0.04	0.04	0.07	0.04	0.05	0.03	0.05	0.04
Marketing, Sales and Distribution Expenses to Revenue Ratio	0.05	0.06	0.06	0.07	0.07	0.08	0.04	0.04	0.05	0.05
General Administrative Expenses to Revenue Ratio	0.05	0.11	0.08	0.15	0.01	-0.05	0.23	0.01	0.15	0.13
Operating Profit to Revenue Ratio	0.07	0.14	0.03	0.08	0.09	0.11	0.1	0.12	0.12	0.08
Other Income to Revenue Ratio	0	0.02	0	0.02	0.01	0.05	0.01	0.02	0	0.02
Other Expenses to Revenue Ratio	0.13	0.24	0.11	0.22	0.09	0.01	0.33	0.12	0.29	0.2
EBIT to Revenue Ratio	0.11	0.29	0.08	0.14	0.2	0.34	0.19	0.16	0.14	0.15
Financial Expenses to Revenue Ratio	0.01	0.01	0.01	0.01	0.01	0	0.03	0.02	0.01	0.01

When the return on equity (ROE) ratio is evaluated, in enterprises applying TFRS, this ratio increased from 1% in 2018 to 22% in 2022, showing a significant increase in capital efficiency. In enterprises applying BOBI FRS, the ROE ratio fluctuated and remained negative most of the time. Especially in 2020, the ratio declined to -1.13%, but recovered to 22% in 2022, similar to enterprises applying TFRS. This situation revealed that enterprises applying BOBI FRS have a more fragile and risky structure.

The return on assets (ROA) ratio in enterprises applying TFRS increased from 0% in 2018 to 9% in 2022, indicating that assets began to be used more efficiently. In enterprises applying BOBI FRS, while there was a loss of -0.15% in 2020, it increased to 4% in 2022, returning to a profitable structure. However, the return on assets remained at a lower level compared to enterprises applying TFRS.

The ratio of earnings before interest and tax to average assets in enterprises applying TFRS ranged between 0.10 and 0.19, reaching a peak at 0.24 in 2021. This showed that assets were used effectively in enterprises applying TFRS. In enterprises applying BOBI FRS, these ratios remained lower. Especially in 2020, it was realized at a level of 0.01, indicating a significant inefficiency and showing that enterprises applying BOBI FRS lagged behind enterprises applying TFRS in terms of profitability and asset management.

The profit margin ratio in enterprises applying TFRS yielded positive results in all years except 2020 and showed an increasing trend in profit margin. This situation revealed that enterprises applying TFRS demonstrated stable financial performance. Enterprises applying BOBI FRS generally operated with negative

profit margins. In particular, the profit margin declined to -33% in 2020. This situation showed that enterprises applying BOBI FRS had a more fragile financial structure during crisis periods.

The gross profit margin ratio in enterprises applying TFRS increased from 17% in 2018 to 32% in 2020, but followed a fluctuating course, decreasing to 23%. Nevertheless, the gross profit margin remained at a reasonable level for enterprises applying TFRS. In enterprises applying BOBI FRS, the gross profit margin was initially at a high level of 29%, but decreased to 9% in 2021, and then showed a partial recovery. This situation showed that enterprises applying BOBI FRS were more exposed to cost management and pricing pressures.

The cost of sales/revenue ratio in enterprises applying TFRS decreased from 83% to 77%, showing that costs decreased slightly and gross profitability increased. In enterprises applying BOBI FRS, this ratio increased from 71% to 78%. Especially in 2021, it reached 91%, revealing difficulties in cost control. This situation showed that enterprises applying TFRS increased cost efficiency, while enterprises applying BOBI FRS were under more pressure, especially during crisis periods.

The marketing, sales, and distribution expenses/revenue ratio remained stable between 3% and 7% for enterprises applying both reporting standards. This situation showed that enterprises operating in the accommodation and food services sector and applying TFRS and BOBI FRS kept their marketing expenses under control. Therefore, it was revealed that marketing, sales, and distribution expenses were managed steadily across the sector.

The general administrative expenses/revenue ratio in enterprises applying TFRS fluctuated between 4% and 7%, indicating a flexible structure, while in enterprises applying BOBI FRS, it ranged between 5% and 8%. In 2022, it was realized at 7% for enterprises applying both standards. This situation showed the existence of common cost pressures in the accommodation and food services sector.

The operating profit (loss)/revenue ratio in enterprises applying TFRS increased from 1% in 2020 to 23% in 2021, and stabilized at 15% in 2022. This showed a significant improvement in the profitability of main operations. In enterprises applying BOBI FRS, the ratio increased from 5% in 2020 to 13% in 2022, showing recovery. However, this ratio fluctuated more in enterprises applying BOBI FRS compared to enterprises applying TFRS.

The earnings before interest and tax/revenue ratio in enterprises applying TFRS showed a stable performance, increasing from 13% to 29%. In enterprises applying BOBI FRS, this ratio decreased from 24% to 20%. In 2020, it declined to 1%, indicating a serious profitability problem. It was revealed that enterprises applying TFRS were more resilient in this regard.

The financing expense/revenue ratio in enterprises applying BOBI FRS reached a high level of 34% especially in 2020, significantly suppressing net profit margins. In enterprises applying TFRS, financing expenses remained lower, thus limiting the negative impact on profitability. This situation showed that the financial structures of enterprises applying BOBI FRS were more fragile.

The tax expense/revenue ratio was realized at 1% for all years for enterprises applying both standards. This situation showed that enterprises carried a low tax burden or benefited from sectoral tax advantages.

Based on the pandemic period, it is observed that enterprises applying TFRS displayed more resilient and stable financial performance compared to those applying BOBI FRS. Those applying TFRS were less affected by the crisis and achieved better results in indicators such as ROE, ROA, and operating profitability. In contrast, enterprises applying BOBI FRS experienced serious profitability problems in 2020, with profit margin dropping to -33% and struggling to cover their fixed expenses. This situation, combined with high financing expenses and difficulties in cost control, negatively affected financial resilience. Although recovery began in 2021, pre-pandemic levels could not be reached. Enterprises applying TFRS, on the other hand, showed a faster recovery by increasing their operating profit to 23% in 2021.

Table 6 presents the results of financial failure risk models for businesses operating in accommodation and food services, covering the period 2018-2022 based on businesses applying TFRS and

BOBI FRS. This comparative analysis provides important findings in terms of revealing the effects of different financial reporting standards on the financial position of businesses.

According to the Zmijewski model, if the calculated Z-score value is positive, it indicates a risk of financial failure, whereas if the Z-score value is negative, it suggests financial health and no short-term risk of financial failure. The model provides a binary classification (successful/unsuccessful) regarding financial status and does not define a gray area (Nurfadillah & Yulianti, 2024: 2209). Accordingly, when Table 6 is examined, the Z-score for companies applying TFRS in 2018 was calculated as -0.797, indicating that these companies had a financially healthy structure. On the other hand, the Z-score of 0.355 for companies applying BOBI FRS revealed that companies in this group carried a risk of financial failure. The results for the same year showed that two different financial reporting standards could create significant differences in the risk levels of companies.

Table 6. Results of Financial Failure Risk Models

			Z1		Z2		Z3		Z-Score
			Net Profit/Loss for the Period	Total Assets	Total Debt	Total Assets	Current Assets	Short-Term Debt	
Zmijewski Z-Score	**2018**	TFRS	-5322	247544	149863	247544	73888	74394	-0.797
		BOBI FRS	-1204	36631	29278	36631	12737	13724	0.355
	2019	TFRS	363	314587	187928	314587	93455	88336	-0.944
		BOBI FRS	1707	43304	33388	43304	16362	16815	-0.131
	2020	TFRS	-13942	288744	247953	288744	108853	113349	0.762
		BOBI FRS	-6845	30732	46696	30732	19324	22186	5.302
	2021	TFRS	-4372	641823	397078	641823	180118	177877	-0.788
		BOBI FRS	-8891	76826	74524	76826	31763	36082	1.699
	2022	TFRS	83151	1116730	609604	1116730	324743	315615	-1.568
		BOBI FRS	4730	134955	100836	134955	54661	58150	-0.247
			G1		**G2**		**G3**		**G-Score**
			Net Working Capital	Total Assets	Earnings Before Interest and Taxes	Total Assets	Net Profit/Loss for the Period	Total Assets	
Grover G-Score	**2018**	TFRS	-506	247544	19070	247544	-5322	247544	0.316
		BOBI FRS	-987	36631	4739	36631	-1204	36631	0.453
	2019	TFRS	5119	314587	21940	314587	363	314587	0.321
		BOBI FRS	-453	43304	5952	43304	1707	43304	0.507
	2020	TFRS	-4496	288744	21464	288744	-13942	288744	0.285
		BOBI FRS	-2862	30732	621	30732	-6845	30732	-0.024
	2021	TFRS	2241	641823	76480	641823	-4372	641823	0.468
		BOBI FRS	-4319	76826	9125	76826	-8891	76826	0.370
	2022	TFRS	9128	1116730	166582	1116730	83151	1116730	0.577
		BOBI FRS	-3489	134955	23179	134955	4730	134955	0.598

In 2019, companies were evaluated as financially healthy under both reporting standards. The Z-score for companies applying TFRS was calculated as -0.944, while the Z-score for companies applying BOBI FRS was -0.131. Although there was a difference between the values, both scores indicated a low risk of financial failure and showed that companies in the sector were financially stable.

The year 2020 stands out as a period of increased financial vulnerability due to the impact of the COVID-19 pandemic. In this year, the Z-score for companies applying TFRS was calculated as 0.762, indicating

a significant increase in the risk of financial failure across the sector. On the other hand, the Z-score of 5.302 calculated for companies applying BOBI FRS reflected a much more negative picture, showing a high level of financial failure risk. This significant difference observed between the two reporting frameworks revealed that the accounting policies adopted under pandemic conditions had significant effects on financial risk assessments.

In 2021, a significant discrepancy was observed between companies applying TFRS and BOBI FRS in terms of financial risk assessments. The Z-score for companies applying TFRS was calculated as -0.788, indicating that these companies were financially healthy. In contrast, the Z-score for companies applying BOBI FRS was determined as 1.699, showing that these companies carried a risk of financial failure.

As of 2022, companies under both reporting standards were classified as financially healthy. The Z-score calculated for companies applying TFRS was -1.568, while the Z-score calculated for companies applying BOBI FRS was -0.247. Although the difference between the results obtained for this year was relatively smaller, it was observed that TFRS applying companies again reflected financial performance more positively.

According to the Grover model, a G-score of 0.001 or above indicates financial success. If the G-score falls between -0.02 and 0.01, no clear judgment can be made regarding financial success or failure, and this range is referred to as the gray area. A G-score of -0.02 or lower indicates financial failure (Türedi et al., 2023: 90).

Accordingly, when Table 6 is examined, it was observed that both companies applying TFRS and BOBI FRS were generally financially successful during the 2018-2022 period. Throughout the analysis period, the G-scores calculated for companies applying TFRS were positive in all years, indicating that TFRS applying companies exhibited sufficient performance in terms of sustainable profitability and financial health. The G-score value for companies applying BOBI FRS in 2020 was negative at -0.024, indicating a financially unsuccessful year. This year, considering the effects of the COVID-19 pandemic on the sector, it particularly reflected the financial vulnerability of small and medium-sized enterprises more prominently. The fact that companies applying TFRS produced a positive score for the same year indicated that large companies were more resilient to crises.

Although the G-score results calculated for both TFRS and BOBI FRS applying companies showed similar trends in all years, G-score levels for BOBI FRS applying companies were generally higher. G-score levels reached their highest values during the 5-year analysis period in 2022 for companies applying both standards. This revealed that companies operating in the sector showed financial recovery in the post-pandemic period and achieved a healthier financial structure.

In general, a significant increase in financial failure risks was observed with the pandemic process. The negative changes observed in both the Zmijewski Z-score and the Grover G-score indicated that companies in the sector faced serious financial difficulties during this period. Particularly, the Z-score reaching a high value such as 5.302 in companies applying BOBI FRS revealed that these companies were more vulnerable to the pandemic. This situation demonstrated that small-scale enterprises were less resistant to economic shocks and carried a higher risk of financial failure during crisis periods.

In addition to the descriptive evaluation of the Zmijewski and Grover scores, a Mann-Whitney U test was conducted to assess whether the differences between enterprises applying TFRS and BOBI FRS were statistically significant. Due to the small sample size and non-normal distribution of data, this non-parametric test was used. As shown in Appendix Table 1A, the results indicate no statistically significant difference between the groups for either the Z-score ($p = 0.222$) or the G-score ($p = 0.690$). These results support the conclusion that although average values differ, the variations are not significant at the 5% level.

5. Conclusion

In this study, the financial performance of enterprises operating in the accommodation and food services sector that implemented TFRS and BOBI FRS during the 2018-2022 period was evaluated through liquidity, financial structure, turnover, and profitability ratios. Additionally, financial failure risk and success

levels were analyzed using the Zmijewski and Grover models. The findings revealed significant differences in the financial structures of businesses subject to both reporting standards.

In TFRS implementing enterprises, the current ratio reached its highest level of 1.63 in 2021, while remaining around 1 in other years. In BOBI FRS-implementing enterprises, this ratio remained below 1 throughout the entire period. The acid-test ratio exceeded 1 only in 2021 for TFRS implementing enterprises, while it consistently remained at low levels for BOBI FRS-implementing enterprises. The cash ratio showed a significant increase to 0.60 in 2021 for TFRS implementing enterprises but remained low in other years. In BOBI FRS-implementing enterprises, the cash ratio followed a more stable but lower trend. Stock dependency was high in both groups, particularly in BOBI FRS-implementing enterprises, where it reached 9.19 in 2021, signaling a serious liquidity risk. In conclusion, despite periodic improvements in TFRS implementing enterprises, high stock dependency and low cash ratios in both standards negatively affected the enterprises' short-term debt payment capacity.

The total liabilities/equity ratio in TFRS implementing enterprises decreased from 1.66 to 1.2, indicating reduced debt dependency, while in BOBI FRS-implementing enterprises, it reached 23.4 in 2021, showing a serious equity erosion. The total debt/assets ratio decreased from 0.62 to 0.55 in TFRS implementing enterprises, while in BOBI FRS-implementing enterprises, it declined from 0.79 to 0.76 but maintained its high level. The ratio of long-term debt to total assets decreased to 0.20 in TFRS implementing enterprises, indicating a reduction in debt burden. The ratio of short-term liabilities to total liabilities decreased in TFRS implementing enterprises while increasing in BOBI FRS-implementing enterprises, raising liquidity risk. The interest coverage ratio increased to 2.17 in TFRS implementing enterprises, indicating improved payment capacity, while in BOBI FRS-implementing enterprises, it decreased to as low as 0.03 in 2020, pointing to significant financial fragility and potential liquidity problems. Overall, it was determined that TFRS implementing enterprises had a more solid and resilient financial structure, while BOBI FRS-implementing enterprises exhibited a more fragile structure, especially during crisis periods.

It was observed that BOBI FRS-implementing enterprises demonstrated a more successful performance in terms of asset utilization efficiency compared to TFRS implementing enterprises. The asset turnover ratio increased from 0.56 to 1.10 in BOBI FRS-implementing enterprises, while it decreased from 0.76 to 0.64 in TFRS implementing enterprises. Stronger increases in current asset and inventory turnover rates were also observed in BOBI FRS-implementing enterprises. The inventory holding period decreased from 73.59 days to 38.06 days, ensuring effective inventory management. Although the accounts receivable turnover increased in both groups, it was higher in BOBI FRS-implementing enterprises at 8.75. While trade payable periods shortened in both standards, the cash conversion cycle in BOBI FRS-implementing enterprises decreased from 63.20 days to 29.64 days, showing a significant increase in efficiency. In contrast, this period increased in TFRS implementing enterprises. Overall, it was concluded that BOBI FRS-implementing enterprises demonstrated a more positive picture in terms of operational efficiency and cash management throughout the analysis period.

When profitability ratios were examined, it was observed that TFRS implementing enterprises exhibited a more stable and stronger financial performance. During the 2018-2022 period, the ROE ratio increased from 1% to 22%, and the ROA ratio increased from 0% to 9%, indicating a significant increase in both equity and asset utilization efficiency. In contrast, ROE and ROA ratios in BOBI FRS-implementing enterprises fluctuated and were sometimes negative. In 2020, -1.13% ROE and -0.15% ROA indicated financial weakness. Additionally, ratios such as profit margin and gross profit margin followed a more positive trend in TFRS implementing enterprises, while BOBI FRS-implementing enterprises exhibited a more fragile performance during the crisis period with a -33% profit margin and 91% cost ratio in 2020. The financial expense/revenue ratio was quite high at 34% in BOBI FRS-implementing enterprises, while TFRS implementing enterprises proved to be more resilient during this period. These findings led to the conclusion that TFRS implementing enterprises had a more advantageous structure in terms of cost management, profitability, and sustainability.

A possible underlying reason for this difference is the nature of the TFRS framework itself. TFRS is based on more comprehensive, transparent, and internationally accepted financial reporting principles, which require businesses to disclose more detailed and timely financial information. Firms implementing TFRS are often large-scale or publicly accountable entities with stronger internal control mechanisms and more advanced financial management systems. As a result, they are generally better equipped to manage liquidity, monitor profitability, and mitigate financial risks—particularly during periods of economic uncertainty such as the pandemic. Therefore, the relatively stronger financial performance observed in TFRS adopters can be attributed to the structural advantages provided by the TFRS reporting approach.

As a result of the analyses, according to the Zmijewski model, it was determined that TFRS implementing enterprises were generally financially healthy during the 2018-2022 period, but BOBI FRS-implementing enterprises had a high risk of financial failure in some years, especially in 2018, 2020, and 2021. The Z-score of BOBI FRS-implementing enterprises reaching 5.302 in 2020, when the COVID-19 pandemic was effective, indicated a notable fragility. The Grover model results revealed that TFRS implementing enterprises were financially successful every year, while BOBI FRS-implementing enterprises showed a risk of financial failure only in 2020. The year 2022 was the year with the highest G-scores observed for enterprises implementing both standards. This situation indicated that the accommodation and food services sector had entered a recovery process.

The findings indicate that small and medium-sized enterprises are particularly more vulnerable to crisis periods. In BOBI FRS-implementing enterprises, equity weakness, high debt ratios, and low liquidity levels increased the risk of financial failure during the pandemic period. It is understood that larger-scale enterprises implementing TFRS have relatively stronger financial structures and are more resilient to crisis conditions. These results are parallel to the sector fragility revealed in the existing literature by studies such as Jawabreh et al. (2017) and Karadeniz and Öcek (2019). While these results are meaningful, it is also important to consider the methodological limitations of the risk prediction models used.

Despite the informative and comparative strength of the Zmijewski and Grover models, it is important to acknowledge certain limitations related to their application. Both models were originally developed based on datasets and economic contexts distinct from Türkiye's macroeconomic and sectoral environment. Therefore, the financial structures, reporting quality, and operational practices of accommodation and food service enterprises in Türkiye may not fully align with the assumptions underlying these models. Particularly, the existence of informal economic activities, sector-specific volatility, and variability in accounting practices could affect the predictive accuracy of these models.

For this reason, the results and interpretations derived from these models should be viewed as indicative rather than definitive. They are valuable in identifying financial vulnerability trends, but they should not be considered absolute predictors of bankruptcy risk. Future studies could enhance these findings by incorporating alternative models, adjusting existing models to local dynamics, or employing machine learning techniques for greater robustness and contextual fit.

In this context, it is of great importance for business managers to develop strategies for liquidity management, reducing short-term liabilities, and increasing operational efficiency. Additionally, it is recommended that they conduct scenario planning for crisis periods such as pandemics, take early financial measures, and evaluate alternative funding sources. Regular financial ratio analyses will provide benefits to enterprises not only in terms of retrospective but also forward-looking risk warnings.

Conducting similar analyses on different sectors in future studies will provide a more comprehensive evaluation of the sector-based effects of financial reporting standards. Additionally, extending the analysis period and making comparisons between pre-pandemic and post-pandemic periods will more clearly reveal the effects of crisis periods on accounting practices. Furthermore, the use of different financial failure models such as Beneish, Altman, Springate, Fulmer, and statistical modeling methods such as logistic regression and multiple discriminant analysis will increase the generalizability of the results.

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Appendix

Table 1A. Results of Mann-Whitney U Test for Zmijewski and Grover Scores

Score	Standard	n	Mean	Std. Deviation	u	z	p
Z-Skor	TFRS	5	-0.3400	0.99398	6.000	-1.362	0.222
	BOBİ FRS	5	1.3800	2.30586			
G-Skor	TFRS	5	0.3400	0.11402	10.5	-0.430	0.690
	BOBİ FRS	5	0.3360	0.21559			

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