



Department of Education, Sabaragamuwa/weekly school

week- 1

Subject-Accounting

Grade-12

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Competency 1.0 – Analyses Accounting and its need.

Competency Level 1.1 – Evaluates the importance of providing accounting information to the parties who are interested in making decisions.

Accounting is –

The process of providing relevant economic information to the concerned stakeholders to enable them to make appropriate decisions.

Objective of Accounting –

- The main objective of accounting is the “Communicating of economic information about the entity that will enable interested stakeholders to take decisions based on such information.
- The accounting entity can be individual, an organization, the government, a business or any other unit.
- Here what we consider as economic factors is the basic financial information.

Exercises

- 1.State three examples for each financial information and non financial information of an entity.
- 2.Name 5 interested parties of an entity and the reason for their interest of an entity.