



Department of Education, Sabaragamuwa/weekly school

Subject-Accounting

week- 3

Grade-13

Prepared by – Zonal Education Office, Rathnapura.

Competency 11.0 – Uses Sri Lanka Accounting Standards for the preparation and presentation of financial statements.

Competency level 11.3 – Accounting and discloses changes in Accounting Estimates, Policies and Errors.

Accounting Policies –

Accounting policies are the specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

Changes in Accounting Estimates –

It is an adjustment of the carrying amount of an asset or a liability or the amount of the periodic consumption of an asset.

Errors –

Errors are omissions from and misstatements in the entities periods arising from a failure to use or misuse of reliable information that was available when financial estimates for those periods were authorized for issues.

Exercise

1. What are the two ways of selecting an accounting policy?
2. What are the occasions an entity shall change an accounting policy?