

Accounting Concepts

Monetry Measurement:

- Allows us to add different items together by assigning monetry value in a common currency (NZD)
- Convert other currencys to common currency to compare.
- Exclude items that can't have a monetry value.

Accounting Entity:

- Every business's finances are recorded seperately.

Going Concern:

- The intention that the business will continue to operate into the foreseeable future.
- Buisness will buy things they can use for a long period of time (e.g. a fryer).

Reporting Period:

- Continuing life of the business is divided into periods of time of equal length.
- Used to understand finances and profits to make decisions.

Historical Cost:

- Transactions are recorded at the original cost/price paid by the business.