

ACCOUNTING

Accounting is defined as "the art of recording, classifying and summarizing in terms of money transactions and events of financial character and interpreting the results thereof."

OBJECTIVES OF ACCOUNTING:

- 1.To keep systematic records.
- 2.To protect business properties.
- 3.To ascertain the operational profit or loss.
- 4.To ascertain the financial position of business.
- 5.To facilitate rational decision making.

ACCOUNTING CONVENTIONS

The term "conventions" includes those customs or traditions which guide the accountants while preparing the accounting statements. The following are the important accounting conventions.

1. [Convention of Disclosure](#)
2. [Convention of Materiality](#)
3. [Convention of Consistency](#)
4. [Convention of Conservatism](#)

ACCOUNTING CONCEPTS

1. Business entity concept
2. Money measurement concept
3. Going concern concept
4. Accounting period concept
5. Accounting cost concept
6. Duality aspect concept
7. Realisation concept
8. Accrual concept
9. Matching concept