

Assignment 13

Why is Accounting Quality Important?

- Accuracy and Reliability: High quality accounting ensures that financial statements are accurate, allowing stakeholders to make informed decisions based on reliable data.
- Investor Confidence: Transparent and consistent accounting practices build trust with investors and can lead to a stronger market valuation.
- Risk Assessment: Quality accounting is better risk management, providing a clear picture of a company's financial health, enabling more accurate assessments of potential risks.
- Market Efficiency: High accounting quality contributes to market efficiency by ensuring that financial information is available and reliable, allowing for fair pricing of securities.
- Decision Making:
is a business context involves selecting the best course of action among several alternatives based on analysis and judgement.
- Long-term Sustainability:
Refers to the ability of an organization or system to maintain its operations and success over an extended period while considering environmental, social and economic factors.