



Q5. State the nature of accounting information required by long-term lenders.

Answer : Accounting information required by the long term lenders are repaying capacity of the business, profitability, liquidity, operational efficiency, potential growth of business, etc.

Q6. Who are the external users of information?

Answer : External users of information are the individual or the organisations that have direct or indirect interest in the business firm; however, are not a part of management. They do not have direct access to the internal data of the firm and uses published data or reports like profit and loss accounts, balance sheets, annual reports, press releases, etc. Some examples of external users are government, tax authorities, labour unions, etc.

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