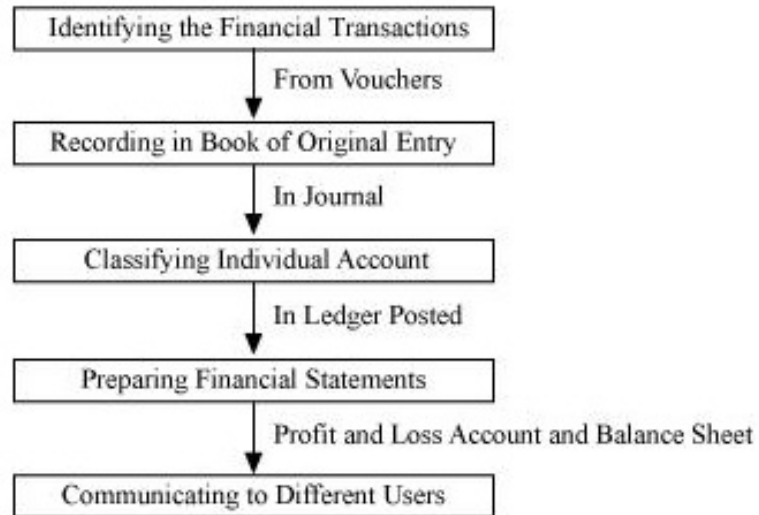




Short Answer Type Questions

Q1. State the three fundamental steps in the accounting process.

Answer : The fundamental steps in the accounting process are diagrammatically presented below.



Q2. Why is the evidence provided by source documents important to accounting?

Answer : The evidence provided by the source document is important in the following manners:

1. It provides evidence that a transaction has actually occurred.
2. It provides important and relevant information about date, amount, parties involved and other details of a particular transaction.
3. It acts as a proof in the court of law.
4. It helps in verifying transactions during the auditing process.

***** END *****