

Analysis of the financial statements

Finance



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Finance and Accounting

Resolving conflicts of interest in the most appropriate and just way is a moral act of high value that professional accountants nowadays must adhere.

According to Ryan, it is the role of accounting to enable to separate ownership and control (19). Sometimes, there is a conflict between “ those who own the firm” and those people who work for them regarding work matters, and accounting plays the role of a mediator to solve this conflict (Ryan 19). There are also cases when the owner or founder of a particular establishment also works as an employee of that same firm. For instance, limited companies that are mutually owned by employees themselves must provide proofs of transparency through accounting records of the company’s transaction. Financial statement plays a very significant role in ensuring that an employee displays trustworthiness and honesty in his or her transaction, not as an owner but as a responsible member.

This is equally true when government officials founded their own companies. Accounting is very important in providing accurate audit reports printed in the financial statements (R. Duska, B. Duska, and Ragatz 10). It is the duty of accountants to provide the necessary information needed by the government in its assessment of companies so as to avoid suspicions regarding the official’s conduct in his private company. Securities and Exchange Commission is in-charge of various corporations’ performance as seen through the finished work of accountant. Accountants, sometimes, face problems of “ disclosing asset value” of companies owned by government officials (R. Duska, B. Duska, and Ragatz 17). Disclosure of information that is accurate to the public is a way to resolve conflicts of interest in a morally

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acceptable manner. This is the challenge of today's accountants.

Works Cited

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