

# [Role of accounting in nation buliding](https://assignbuster.com/role-of-accounting-in-nation-buliding/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/), [Accounting](https://assignbuster.com/essay-subjects/business/accounting/)

We know Accounting is the systematic recording of financial transactions and presentation of the related information of the appropriate persons. The basic features of accounting are as follows:

1. Accounting is a process: A process refers to the method of performing any specific job step by step according to the objectives, or target. Accounting is identified as a process as it performs the specific task of collecting, processing and communicating financial information. In doing so, it follows some definite steps like collection of data recording, classification summarization, finalization and reporting.

2. Accounting is an art: Accounting is an art of recording, classifying, summarizing and finalizing the financial data. The word ‘ art’ refers to the way of performing something. It is a behavioral knowledge involving certain creativity and skill that may help us to attain some specific objectives. Accounting is a systematic method consisting of definite techniques and its proper application requires applied skill and expertise. So, by nature accounting is an art.

3. Accounting is means and not an end: Accounting finds out the financial results and position of an entity and the same time, it communicates this information to its users. The users then take their own decisions on the basis of such information. So, it can be said that mere keeping of accounts can be the primary objective of any person or entity. On the other hand, the main objective may be identified as taking decisions on the basis of financial information supplied by accounting. Thus, accounting itself is not an objective, it helps attaining a specific objective. So it is said the accounting is ‘ a means to an end’ and it is not ‘ an end in itself.’

4. Accounting deals with financial information and transactions; Accounting records the financial transactions and date after classifying the same and finalizes their result for a definite period for conveying them to their users. So, from starting to the end, at every stage, accounting deals with financial information. Only financial information is its subject matter. It does not deal with non-monetary information of non-financial aspect.

5. Accounting is an information system: Accounting is recognized and characterized as a storehouse of information. As a service function, it collects processes and communicates financial information of any entity. This discipline of knowledge has been evolved out to meet the need of financial information required by different interested groups. Sourcs "(http://accountingtheory. weebly. com/nature-and-scope-of-accounting. html)"