



Pakistan School
Kingdom of Bahrain

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

TOPIC

Important Accounting Terms

Subject: Introduction of Accounting

Jun 14, 2020
Grade 11

Lesson Objectives:

Students should understand, analyze and communicate the following basic accounting principles and conventions given in book chapter 1:

Book pager # 12 to 16

Accounting Principles

The following is a list of the ten main accounting principles and Conventions guidelines together with a highly condensed explanation of each.

1. Economic Entity Assumption
2. Monetary Unit Assumption.

Economic Entity Assumption

An accounting principle/guideline that allows the accountant to keep the sole proprietor's business transactions separate from the owner's personal transactions even though a sole proprietorship is not legally separate from the owner.

Economic Entity Assumption

Components of Economic Entity Assumption

Going concern
assumption

Historical cost
assumption

Periodicity
assumption

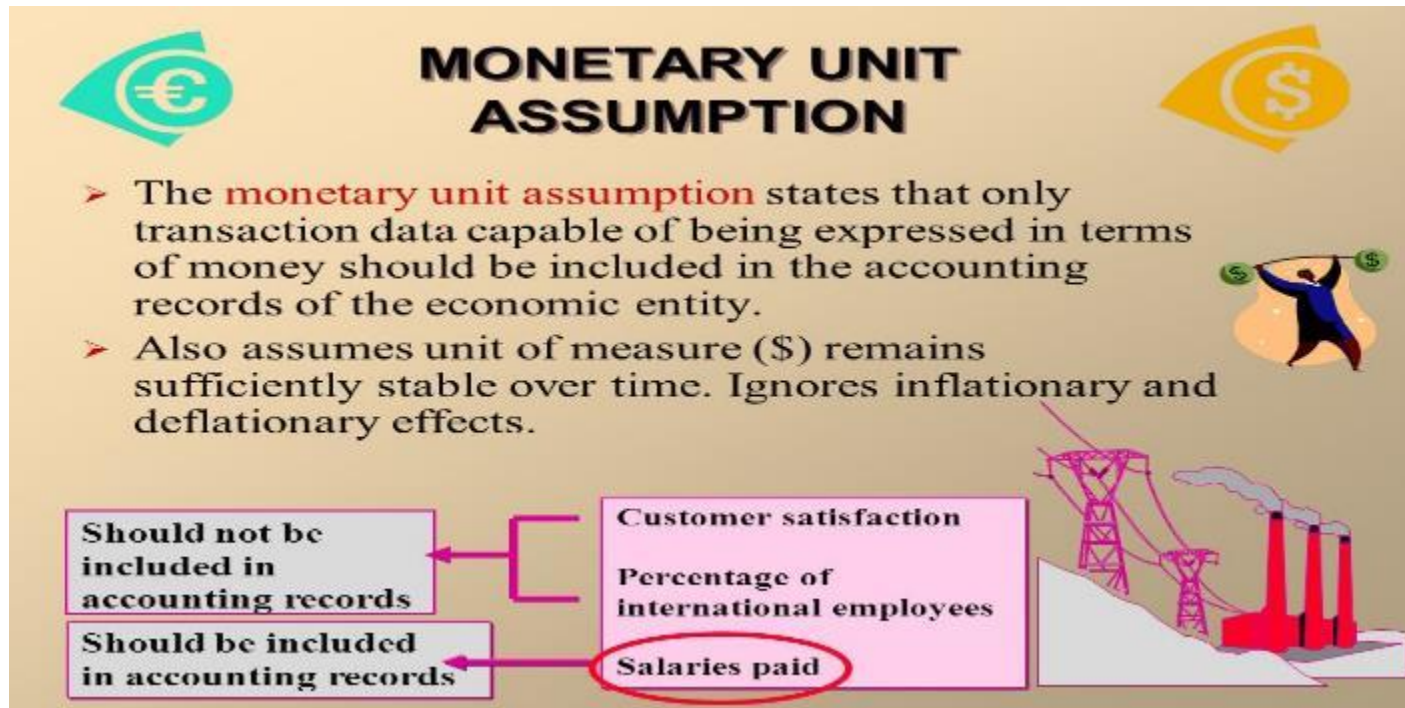
Monetary unit
assumption

Full disclosure
principle

Monetary Unit Assumption

Monetary unit **assumption** (also known as money measurement concept) states that only those events and transactions are recorded in books of accounts of the business which can be measured and expressed in **monetary** terms.

Monetary Unit Assumption





**Thanks for your
attention!**

Summary Discussion and questioning answering