



**Pakistan School**  
**Kingdom of Bahrain**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

# TOPIC

## Important Accounting Terms

**Subject: Introduction of Accounting**

Jun 18, 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. Full Disclosure Principle.
2. Going Concern Principle.

# Full Disclosure Principle

The **full disclosure principle** is a concept that requires a business to report all necessary information about their financial statements and other relevant information to any persons who are accustomed to reading this information.

# Full Disclosure Principle

## Full-Disclosure Principle

➤ Contingent liabilities are disclosed in the notes to the financial statements.

➤ Contingent liabilities include . . .

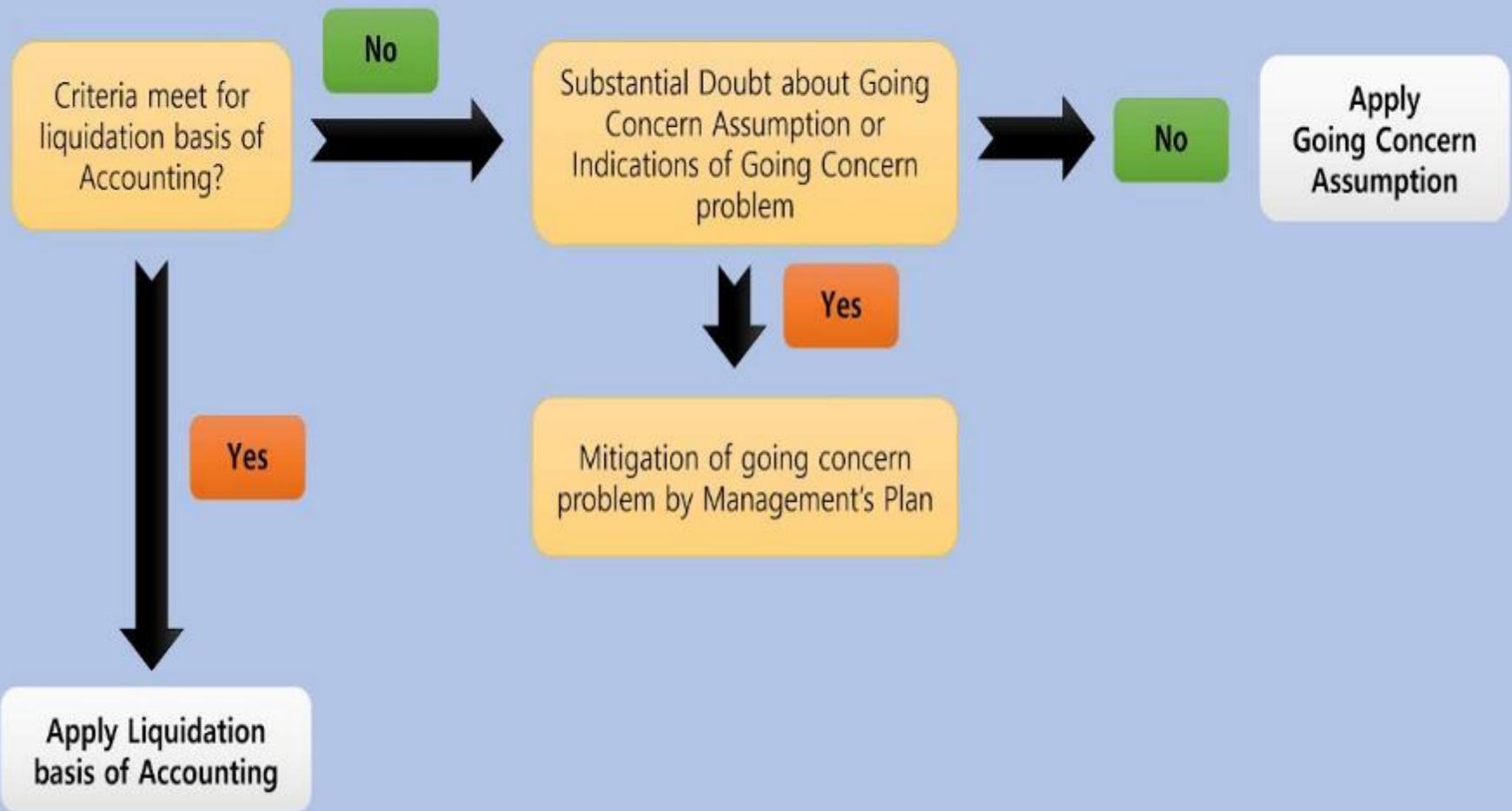
- Discounted notes.
- Possible additional tax assessments.
- Debts of other companies that are guaranteed.
- Unresolved lawsuits.



# Going Concern Principle

Under the **going concern assumption**, an entity is viewed as continuing in business for the foreseeable future. General purpose financial statements are prepared on a **going concern** basis, unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

# Assessment of Going Concern







**Thanks for your  
attention!**

Summary Discussion and Questioning Answering