

<b>Resource 2</b>		
<b>1</b>	<b>Topic</b>	Theory Base of Accounting
<b>2</b>	<b>Subject</b>	Accountancy
<b>3</b>	<b>Topic connected which area</b>	<b>Basic Accounting Concepts</b>
<b>4</b>	<b>Class/ Level</b>	XI
<b>5</b>	<b>Objective</b>	Understand the Basic accounting concepts fundamental to the preparation of Financial Statements of business organization
<b>6</b>	<b>Summary</b>	In order to maintain uniformity and consistency in accounting records, certain rules and principles have been developed which are generally accepted by the accounting profession. These rules are called by different names such as principles, concepts, conventions, postulates, assumptions and modifying principles. These refers to the rules adopted for recording and preparation and the presentation of financial statements. Accounting concepts are constantly influenced by changes in the legal, social and economic environment as well as needs of the users.
<b>7</b>	<b>Key Words</b>	GAAP, accounting concepts, financial accounting
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**Decode the correct term and complete the given sentences appropriately:**

1.	A general law or rule adopted or professed as a guide to action, a settled ground or the basis of conduct or practice is called _____	<b>CREPINPIL</b>
2.	All such transactions or happenings do not find place in accounting records of a firm, if cannot be expressed in _____ terms.	<b>TORENYAM</b>
3.	Accrual accounting is related to _____ concept of accounting	<b>NAGMITCH</b>
4.	_____ of the fact depends on its nature and the amount involved if it is reasonably believed that its knowledge would influence the decision of informed users of financial statements	<b>IYARMILETAT</b>
5.	_____ concept states that a conscious approach should be adopted in ascertaining income so that profits of an enterprise are not overstated.	<b>RVETHCSOINSA</b>
6.	Accounting transactions should be free from the bias of accountants and supported by verifiable documents and vouchers is called _____	<b>YITIVTCEBOJ</b>
7.	Business _____ concept states that business and its owners should be treated separately.	<b>YTTENI</b>
8.	The _____ concern concept states that an enterprise would continue for a fairly long period of time and would not be liquidated in the foreseeable future.	<b>OGIGN</b>
9.	Communicating all material and relevant fact concerning financial performance is related to the full _____ concept of accounting.	<b>LOSERUSIDE</b>
Answer: 1. Principle 2. Monetary 3. Matching 4. Matiriality 5. Conservativism 6. Objectivity 7. Entity 8. Going 9. Disclosure		