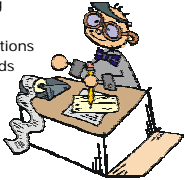


Slide 1

1.1 Introduction to Accounting

- Objectives
 - Definition
 - Types of Accounting
 - Value of Accounting
 - Influential Organizations
 - Accounting Standards




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Slide 2

Introduction to Accounting

- Highly interdisciplinary subject
- Definition
 - A system for providing "quantitative information, primarily financial in nature, about economic entities that is intended to be useful in making economic decisions."




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Slide 3

What is Accounting?

- Types of Accounting
 - Financial
 - Accounting concerned with reporting financial information to interested EXTERNAL stakeholders
 - Management
 - Accounting concerned with providing INTERNAL financial reports to assist management in making decisions




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Slide 4

What is Accounting?

- Types of Accounting
 - Environmental
 - Accounting concerned with reporting various social and environmental aspects related to day to day business activities, such as
 - Water usage
 - Employee training
 - Community leadership

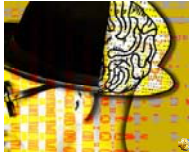


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Slide 5

Value of Accounting

- Value of Accounting to the Business World
 - Language of Business
 - Useful in future planning
 - Budgeting
 - Capital budgeting
 - Measurement of performance
 - Bonuses
 - Increased shareholder value



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Slide 6

Influential organization

- Influential organizations
 - Securities and Exchange Commission - SEC
 - Public Company Accounting Oversight Board - PCAOB
 - Financial Accounting Standards Board - FASB
 - American Institute of Certified Public Accountants - AICPA
 - International Accounting Standards Committee - IASC
 - Global Reporting Initiative - GRI




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Slide 7

Accounting Standards

- Role of SEC
 - Created in response to the 1929 stock market crash
 - Charged with creating fair information environment in which investors can buy and sell stocks without fear that companies are hiding or manipulating financial information
 - Has the specific LEGAL authority to establish accounting standards




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Slide 8

Accounting Standards

- Role of PCAOB
 - Created in response to the 2001 corporate scandals
 - Created by Title I of the Sarbanes-Oxley Act of 2002
 - Private sector, non-profit corporation
 - Oversees auditors of public companies in the preparation of informative, fair and independent audit reports




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Slide 9

Accounting Standards

- Role of FASB
 - Financial Accounting Standards Board
 - 7 full time members
 - Supported by the SEC as the accounting standards setter
 - Generally accepted accounting principles (GAAP)
- US standards versus International standards
 - Considered the most rigorous in the world
 - Creates problems with "harmonizing" or "blending" with foreign accounting practices



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