

The Need for Accounting

What Is Accounting?

Accounting is often called ‘the language of business.’ However, this phrase probably understates the cases, because the need to understand accounting and its uses is important to all segments of society.

Accounting is a discipline which accumulates, reports, and interprets financial information about the activities of an organization in order that intelligent decisions can be made about and for the organization. Simply stated, accounting is concerned with communicating financial information. A more traditional definition of accounting is:

“Accounting is the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof.”

The first part of this definition- recording, classifying, and summarizing describes the bookkeeping aspects of accounting. Although bookkeeping is one aspect of accounting, ‘interpreting the results’ is of far greater importance.

The interpretation of financial information provides the basis for decision making. The decision-making aspect makes accounting an exciting discipline with national and international implications.

Accounting includes not only the maintenance of accounting records, but also the design of efficient accounting systems, the performance of audits,

the development of forecasts, income tax work, and the interpretation of accounting information.

A person might become reasonably proficient bookkeeper in a few weeks or months; however, to become a professional accountant requires several years of study and experience.

● با توجه به لغات داده شده متن را ترجمه کنید.

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