

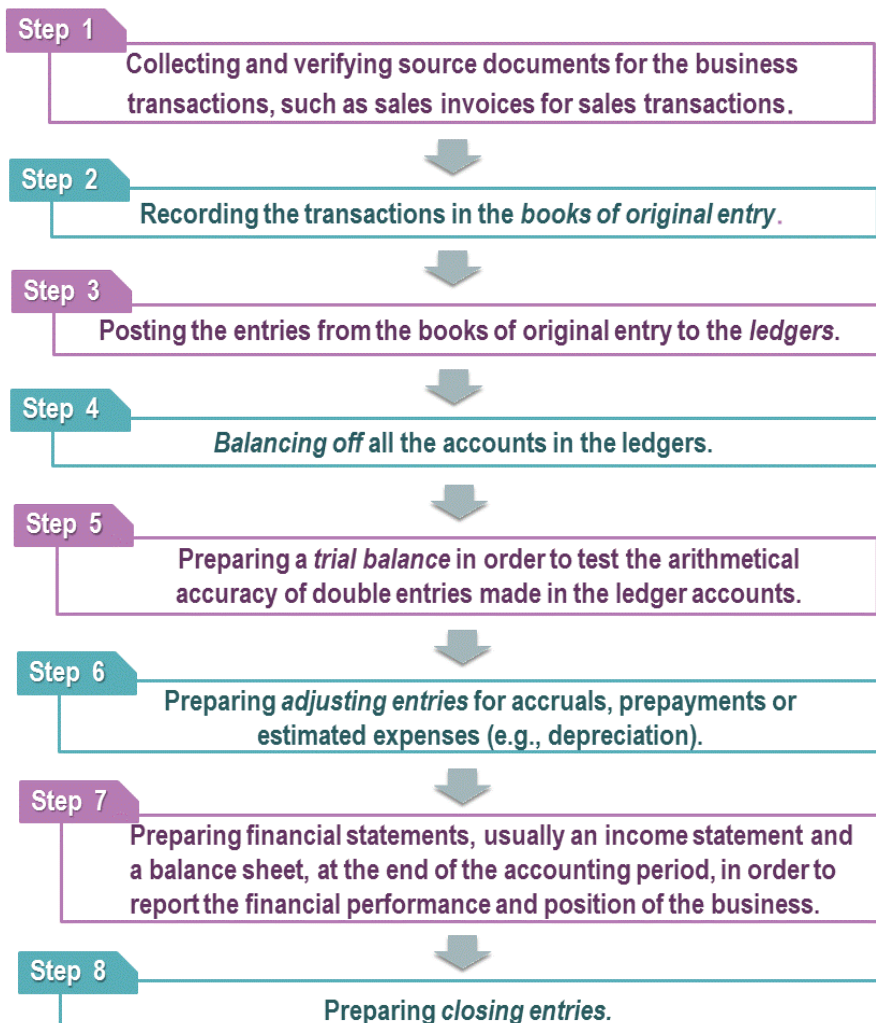
A1 Purposes and Role and Double-Entry System

Chapter 1 Purposes and Role of Accounting

Functions of accounting

- **Recording transactions** : All daily transactions of firms are carefully recorded and become accounting data.
- **Classifying data** : Accounting data are classified according to their nature.
- **Summarising data** : Accounting summarising data are then presented in different types of financial statements.
- **Communicating information** : Users are provided with financial statements.

Accounting cycle



Functions of accounting

3. At the end of the year, the bookkeeper of a retail store balance off the accounts, listed the account balances and prepared a trial balance. Which of the following accounting functions did the bookkeeper perform?

(1)	recording	
(2)	classifying	
(3)	summarising	
(4)	communicating	

Accounting cycle

5. Which of the following is the flow of the accounting cycle?

- (1) Make period-end adjustments
- (2) Prepare financial statements
- (3) Record transactions in the books of original entry
- (4) Prepare a trial balance
- (5) Post entries to the ledger accounts

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