



# SNS College of Technology

Coimbatore - 35



23BAT605 – FINANCIAL STATEMENT ANALYSIS

**Unit I – Introduction**

Topic: Guess?????



**Presented by**

**Ms.S.Swarnam**  
*Design Thinker*

**1<sup>st</sup> Indian Institution to Implement Design Thinking Curriculum**

**Redesigning Common Mind and Business Towards Excellence**



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Topic....

**ACCOUNTING  
CONCEPTS  
VS. CONVENTIONS**





# ACCOUNTING PERIOD CONCEPT



## SEE BACK

### ACCOUNTING YEAR

### INCOME & BALANCE SHEET





# COST CONCEPT



Example: Purchase of land 50,000.





# REALISATION CONCEPT

REALISATION





# MATCHING CONCEPT

Net Income = Net Revenue – Net Expenses

CA RAJA CLASSES  
FINANCIAL ACCOUNTING

Outstanding Expenses  
and Prepaid Expenses





# OBJECTIVITY EVIDENCE CONCEPT



SHOW US  
THE EVIDENCE







# Time for the assessment...



According to which convention, accounting practices remain unchanged from one period to another.

- A) Convention by Consistency
- B) Convention by Full Disclosure
- C) Convention by Materiality



# ACCOUNTING CONVENTIONS



RISK  
PROOF

Anticipate No Profits

ASSETS/LIABILITIES NOT OVERSTATED OR UNDERSTATED



# FULL DISCLOSURE

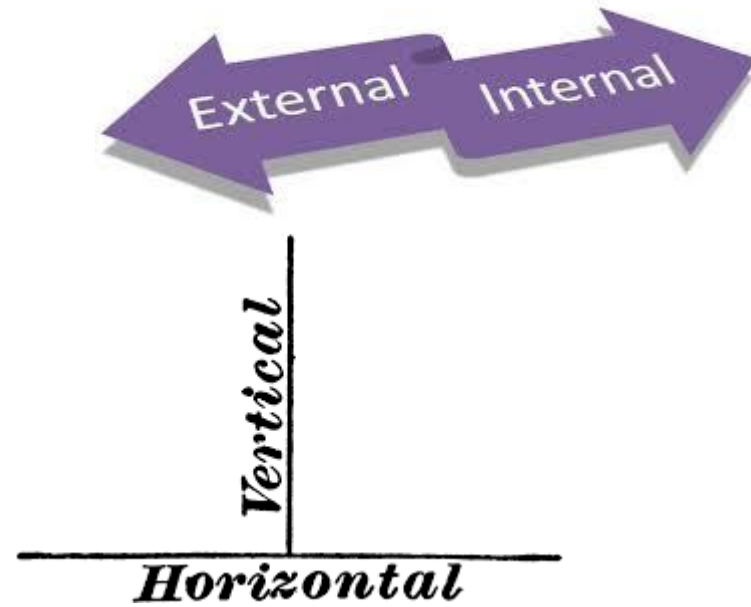
Honestly

**MATERIAL  
INTEREST**



# Consistency

CONSIST  
ENCY



# Materiality





# Summary

ACCOUNTING  
CONCEPTS &  
CONVENTIONS





# References...

- <http://icmai.in/>
- [www.accountingtools.com](http://www.accountingtools.com)





Thank  
you





# REACH US



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