SHS LEARNING ACTIVITY

Name: _____ **Score/Mark:** _____
Grade and Section: _____ **Date:** _____
Strand: ☐ STEM ☐ ABM ☐ HUMSS ☐ ICT (*TVL Track*)
Subject: *Fundamentals of ABM 1*
Type of Activity ☐ Concept Notes ☐ Skills: Exercise / Drill ☐ Illustration ☐ Laboratory Report ☐ Essay/Task Report ☐ Others: _____

Activity Title: LA-01. Accounting: Definition
Learning Target: To define accounting
References: *(Author, Title, Pages)*
1) Hinayon, et al., Fundamentals of Accounting Vol. 1, p. 7
2) Q. J. Abcede, CVIF Learning Activities

Aside from being the "language of business" as what the business magnate Warren Buffett had said, Accounting has been defined in different ways by many groups of people or organizations. A few of these definitions are stated below:

American Institute of Certified Public Accountants:
"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."

American Accounting Association:
"Accounting is the process of identifying, measuring and communicating economic information to permit informed judgment and decision by users of the information."

Financial Reporting Standards Council (former Accounting Standards Council):
"Accounting is a service activity. Its function is to provide quantitative information, primarily financial in nature, about economic entities, that is intended to be useful in making economic decisions."

From the definitions above, accounting can be generally described as a system or a process of identifying, recording, classifying and summarizing business transactions and events which are financial in nature, and communicating the collected economic information to users for making business decisions.

Vocabulary Test: Match the term in Column A with its definition in Column B. Write the letter of your answer on the space provided.

	A	B
___	1. magnate	a. can be measured
___	2. transaction	b. involves money
___	3. financial	c. highly influential individual
___	4. quantitative	d. relating to the production, distribution and consumption of goods and services
___	5. economic	e. exchange of money, product or service in business