19 Lecture - MGT401

Important Subjective

1. What is the purpose of the IASB's Framework?

Answer: The IASB's Framework provides guidance on the preparation and presentation of financial statements.

2. What are the key concepts and principles in the IASB's Framework?

Answer: The key concepts and principles in the IASB's Framework are reliability, relevance, comparability, and understandability.

3. What is the importance of comparability in the IASB's Framework?

Answer: Comparability is important in the IASB's Framework because it allows users to compare financial statements across different periods and entities.

- 4. What is the relationship between the IASB's Framework and accounting standards? Answer: The Framework provides a basis for the development of accounting standards.
- 5. What is the purpose of the recognition and measurement criteria in the IASB's Framework?

Answer: The recognition and measurement criteria in the IASB's Framework ensure that financial statement elements are recognized when they meet the definition of an asset, liability, income, or expense.

6. What is the purpose of the disclosure requirements in the IASB's Framework?

Answer: The disclosure requirements in the IASB's Framework provide additional information that is relevant to the users of financial statements.

7. What is the importance of reliability in the IASB's Framework?

Answer: Reliability is important in the IASB's Framework because it ensures that financial statements are free from material errors and omissions.

8. How does the IASB's Framework promote transparency and accountability?

Answer: The IASB's Framework promotes transparency and accountability by requiring companies to provide relevant and reliable information to their stakeholders.

9. What is the role of the International Accounting Standards Board (IASB) in the development of the Framework?

Answer: The IASB is responsible for developing and updating the Framework.

10. Why is it important for financial statements to be understandable to users?

Answer: Financial statements must be understandable to users so that they can make informed decisions based on the information provided.