

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.