THE SIGNIFICANCE AND FUNCTIONS OF FINANCIAL ACCOUNTING TO ACCOUNTANCY BUSINESS AND MANAGEMENT STUDENTS

by:

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Financial Accounting is very important and useful for every businessman and also in running a business and that is why this has been broadly discussed to ABM Senior High School students, in the Fundamentals of Accounting subject under the K-12 Curriculum of the Department of Education. In this development of learning, the students will get a proper knowledge and a better understanding in making financial statements and even recording financial transactions. Students will not just be recording earnings but will also be making financial statements that will make the Senior High School students well informed in the cash flows transactions that a business does. This process of learning students gradually understand the importance of financial statements. Students may develop how to easily recognize which transaction will fall under the credit and debit side.

Financial accounting are functions rendering vital service to management, in an advisory capacity on matters relating to finance. A very important functions of accounting is to direct management is attention to problems of the business and assist in their solutions by offering alternative, and presenting the cost and/or benefits of each choice. It covers practically all the areas where financial accounting is relevant subsequently.

According to Charles T. Horngren, in the book The Financial Accounting Book 1 by Raquel Monte-Galaza & Rouella Marie G. Corpuz, “the analysis of transactions is the heart of accounting. The nature of accounting is primarily the accumulation of the financial history of a business entity based on the analysis of transactions”. That is why it is very significant that
Financial Accounting be discussed comprehensively for the students to be equipped with the knowledge they needed in order to succeed as entrepreneur.

Reference: