

LESSON 1 - ASSIGNMENT

1. Define in your own words (1 sentence) the term 'service firm'?
2. List three businesses which:
 - (a) would be classified as a service firm
 - (b) would not be classified as a service firm
3. State five different users of accounting information and their main area of interests in financial information.

USERS	AREA OF INTEREST

4. What is an accounting standard? What is the purpose of accounting standards? Answer in 1 paragraph.
5. What is an 'accounting convention'? (1 sentence – your own words)
6. Why is 'consistency' important to accounting? Discuss in one paragraph.
7. Discuss in 2-3 sentences the link between the concept of 'reliability' and the principal of 'verifiability'.
8. In 2-3 sentences describe how the 'going concern assumption' and 'accounting period convention' are related.
9. Why might the accounting entity convention be important in business? List your reasons.
10. What is the concept of 'materiality'? Define in 1-2 sentences and list 3 examples.
11. From your set task, create a list of differences and a list of similarities between the goods and services tax system you investigated and Australia's system. Then, submit your notes from set task two.