

CONCEPT OF ACCOUNTING AND NATION BUILDING IN INDIA

Dr. S.K. Gupta*

Abstract

While the Attention-directing is mainly supplied by cost Accounting problem-solving information is supplied by management accounting. Attention-directing and problem solving information relate to issues of planning, control and decision making for short and long range operation. Many operative decision-making processes rely on such information like budgeting, variance analysis, capital investment appraisal, cost determination contract costing and a lot of other information Accountants need to de-emphasis on the score-keeping information and pay more attention on the attention-directing and problem-solving information required for day to day decision making by management. Though score-keeping or steward accounting is a statutory requirement Accountant need to understand the short-comings of financial accounting information.

Keywords: Cost, Information, Capital, Contribute, Nation, Account, Efficiency, Common, Development, Building.

Introduction

The changing environment has not only extended the boundaries of accounting but has created a problem in diversifying the scope of the subject. For the purpose of this paper we adopt the definition of American Accounting Association that defined accounting as the process of identifying, measuring and communicating economic information to permit informed judgement and decision by the user of the information.

Nature of Accounting Information

Accounting generates three basic types of information namely score-keep/stewardships information, attention directing information and problem solving score-keeping information provided by financial accounting relates to the statutory financial statement which must be prepared in most cases on annual basis. Most stakeholders are interested in this set of information because it highlights the profit/loss for the period and the Balance sheet which show the structure of organization assets and liabilities. Most accountants rigidly hold on the financial Accounting because they erroneously see it as the only professional section of accounting. There is a fusion between Attention-Directing and Problem-solving information. While the Attention-directing is mainly supplied by cost Accounting problem-solving information is supplied by management accounting. Attention-directing and problem solving information relate to issues of planning, control and decision making for short and long range operation. Many operative decision-making processes rely on such information like budgeting, variance analysis, capital investment appraisal, cost determination contract costing and a lot of other information Accountants need to de-emphasis on the score-keeping information and pay more attention on the attention-directing and problem-solving information required for day to day decision making by management. Though score-keeping or steward accounting is a statutory requirement Accountant need to understand the short-comings of financial accounting information.

* P.G. Head, Department of ABST, Sri Sant Sunderdas Govt. P.G. Girls College, Dausa, Rajasthan.