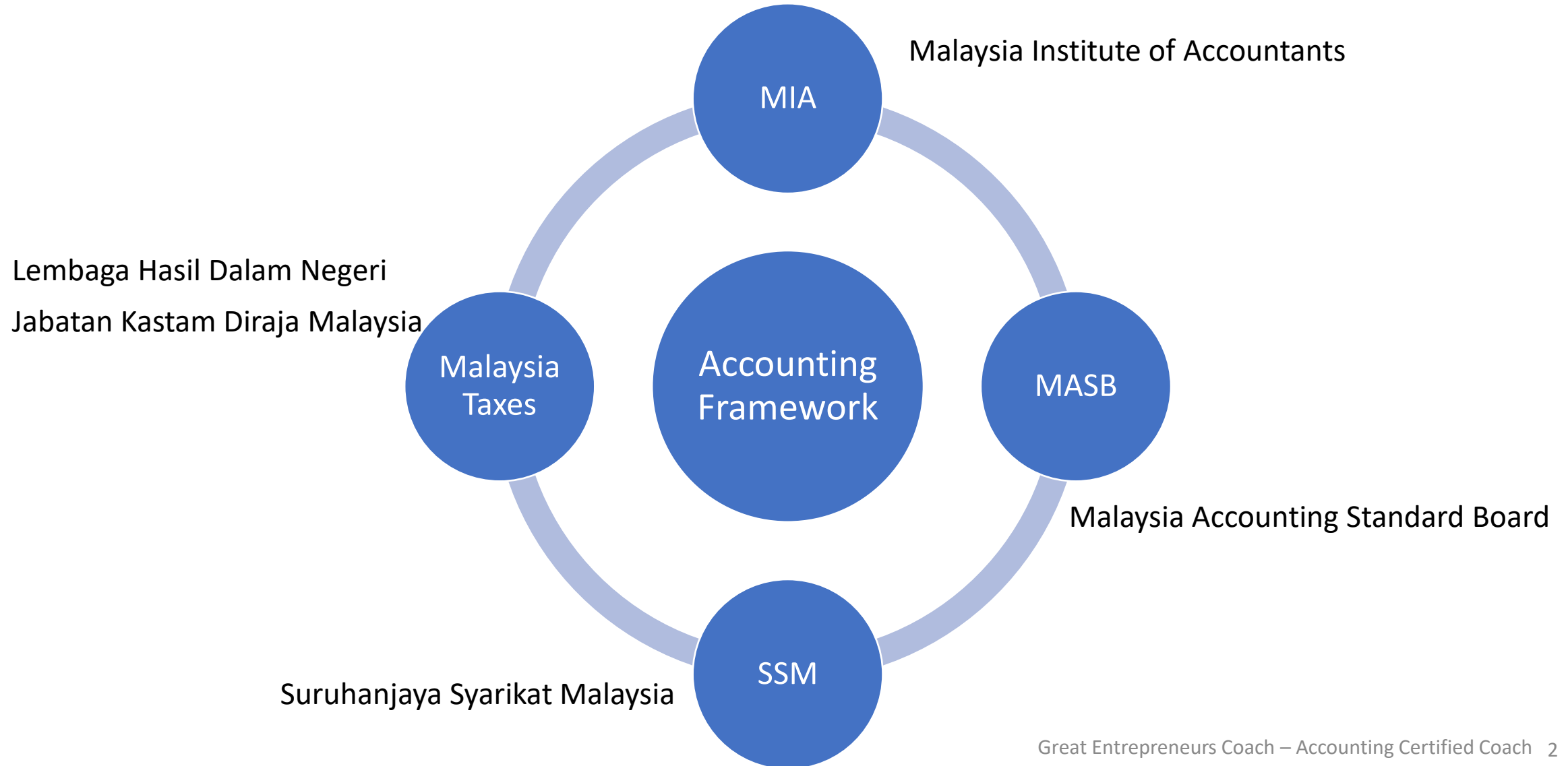


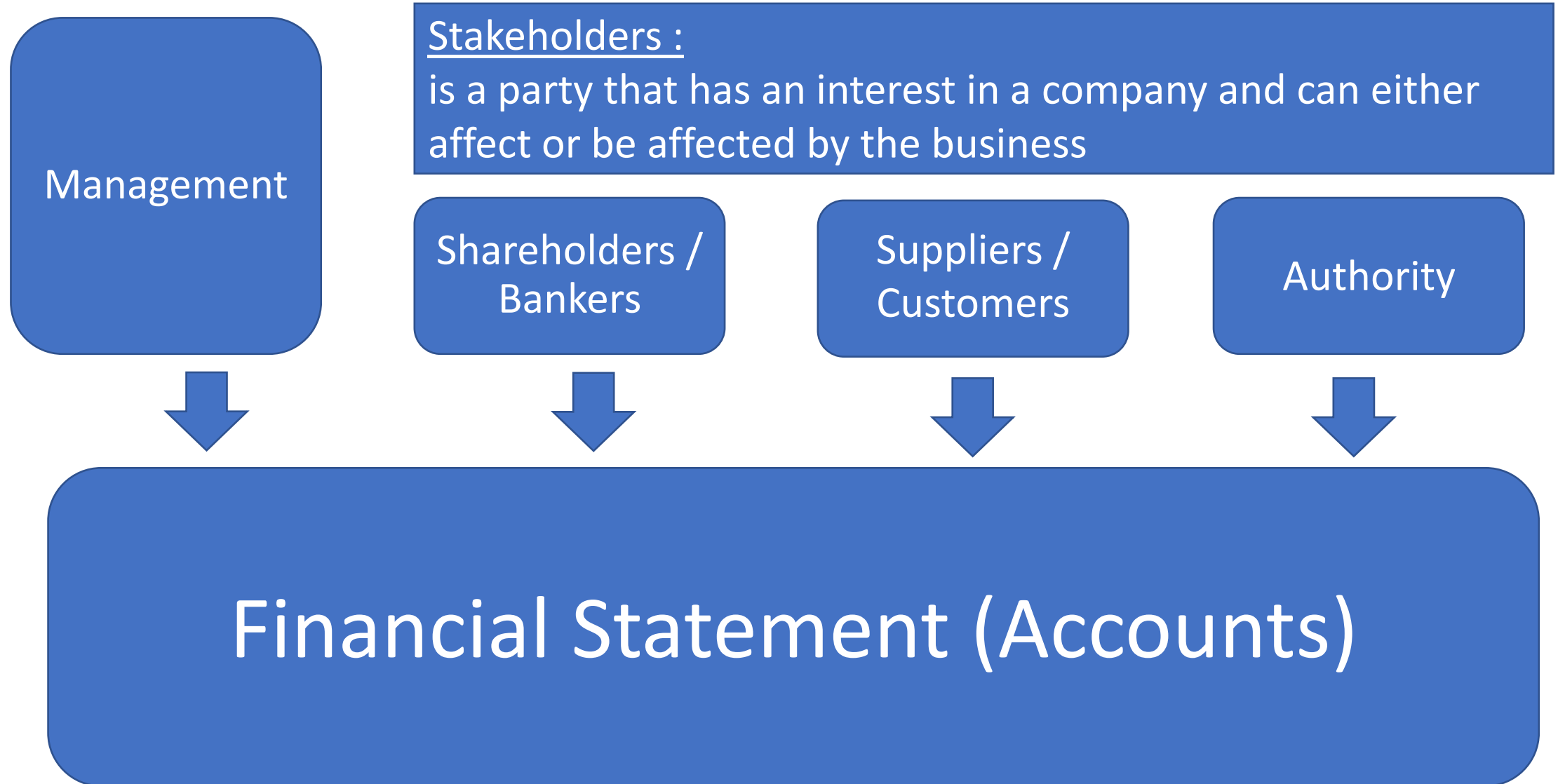
Module 2 : Accounting Concepts & Principles

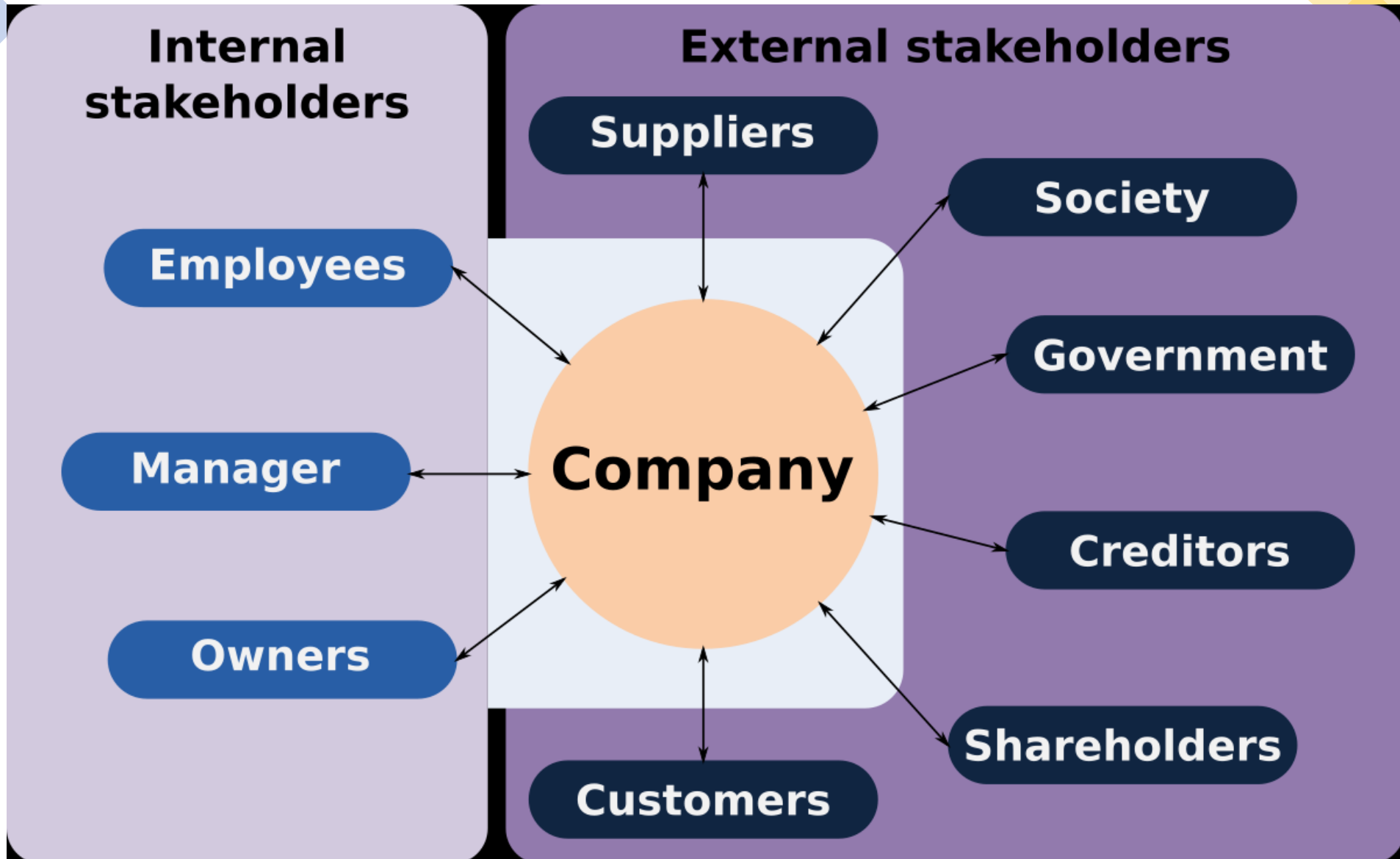
- 2.1 The Regulatory Framework for Accounting in Malaysia
- 2.2 Accounting Conceptual Framework 概念的结构
- 2.3 Accounting Conventions 习俗, 惯例
- 2.4 Accounting Concepts 概念, 条例

2.1 Malaysia Accounting Framework



Who Want to See Accounts





Objectivity of Financial Statements

Third party use Financial Statement for important decision therefore **Financial Statements must be:**

- True & Fair
- Reliable
- Supported with evidence

Fundamental Characteristics

RELEVANCE

FAITHFUL
REPRESENTATION

Enhancing Characteristics

VERIFIABILITY

TIMELINESS

UNDERSTANDABILITY

COMPARABILITY

How to achieve True and Fair ?

Accounting
Principles



Accounting Conventions

- is the set of practices discussed by the accounting bodies before preparing final accounts
- not compulsory or legally binding
- Accounting convention is a procedure agreed by the accounting bodies for preparing final accounts

Accounting Concepts

- Accounting concepts are the rules and regulations of accounting
- The accounting concept is a theoretical statement
- Back up by law

Material = Significant
Immaterial = Insignificant

Types of Accounting Convention

Materiality

Prudence/
Conservatism

Full Disclosure

Consistency

FYE – 31st Mar 2020 (1st Apr 2019 – 31st Mar 2020)
FYE – 30th June 2020 (1st July 2019 – 30th June 2020)
FYE – 30th April 2020 (1st May 2019 – 30th April 2020)

Sole Prop, Partnership FYE 31/12/
LLP / Sdn Bhd any month
Max 18mths

Types of Accounting Concepts

Business Entity /
Separate Legal
Entity

Going Concern

Accounting Period
(Financial Year End)

Money
Measurement

Cost

Dual Aspect /
Double Entry

Accrual

Matching

Realization /
Revenue
Recognition

