

## LESSON 1 - ASSIGNMENT

**Instructions for assignment – unless otherwise instructed, please limit your answers to one paragraph per question.**

1. What is meant by the term 'service firm'?
2. State 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.
4. What is an accounting standard? What is the purpose of accounting standards?
5. What is an 'accounting convention'?
6. Why is 'consistency' important to accounting?
7. Explain the link between the concept of 'reliability' and the principal of 'verifiability'.
8. Explain the link between the 'going concern assumption' and 'accounting period convention'.
9. Explain the accounting entity convention.
10. What is the concept of 'materiality'?
11. Write a short summary of the two outlines which you wrote in your set task.