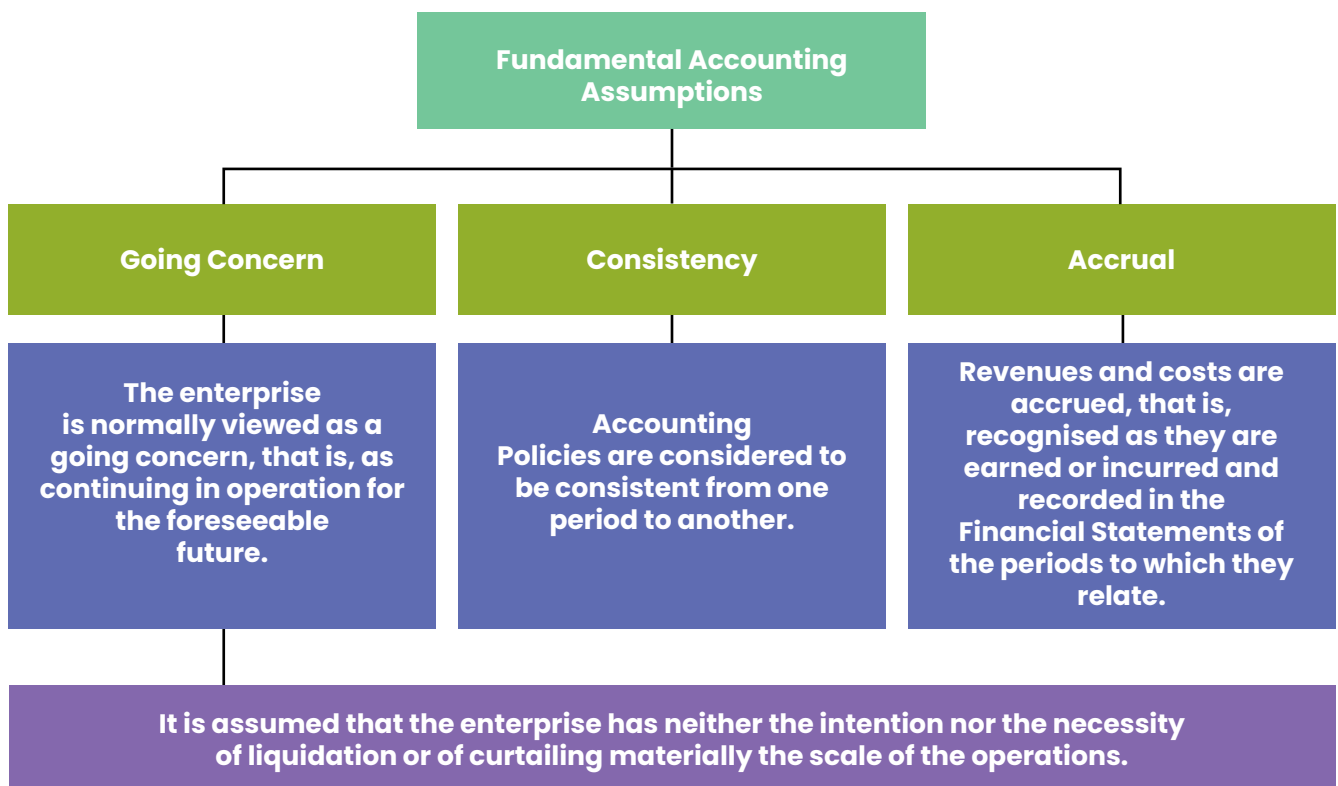
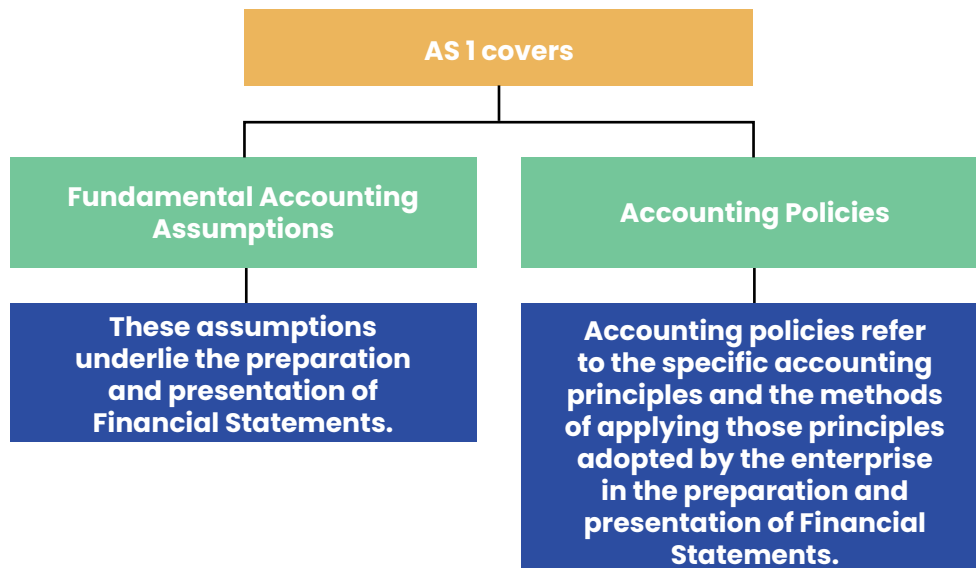
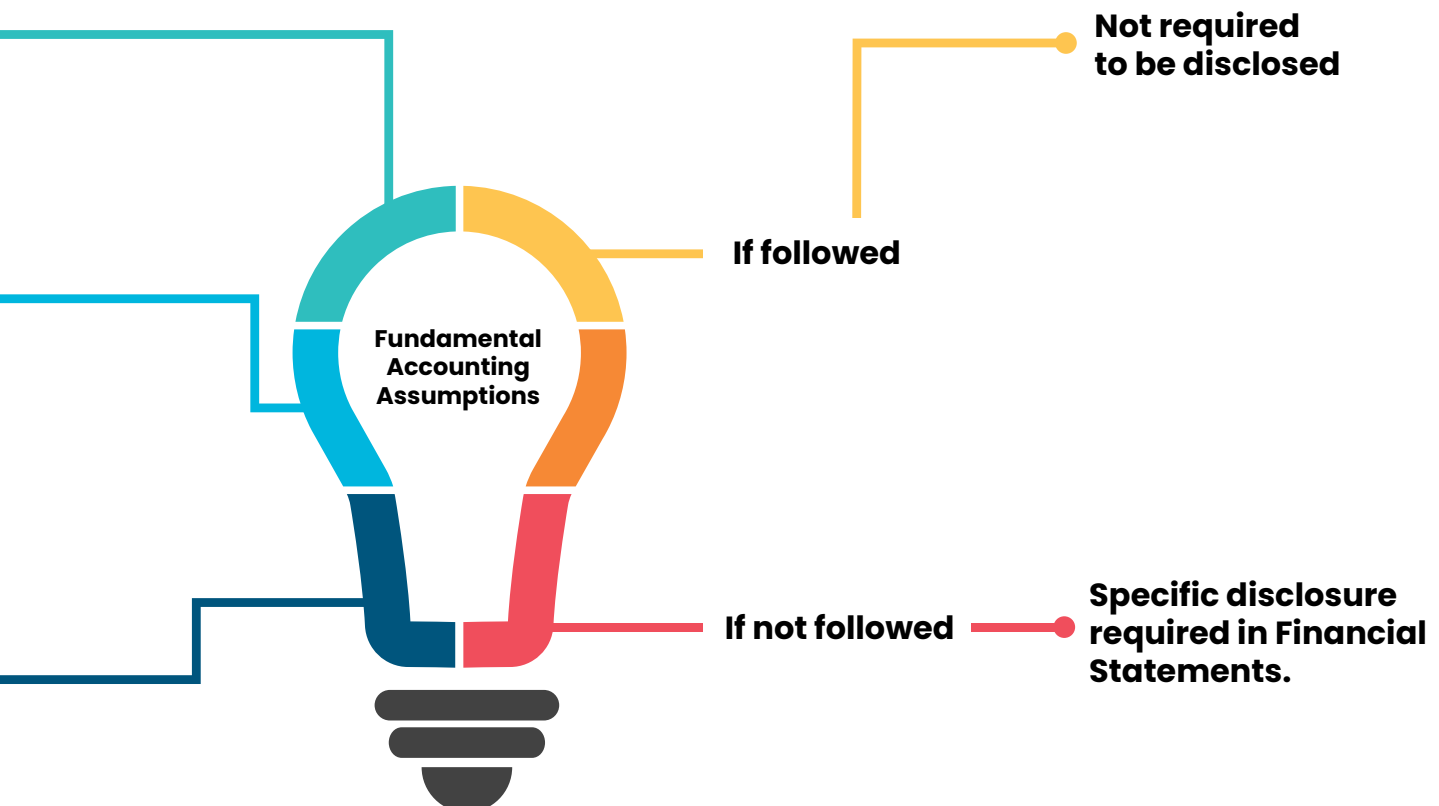
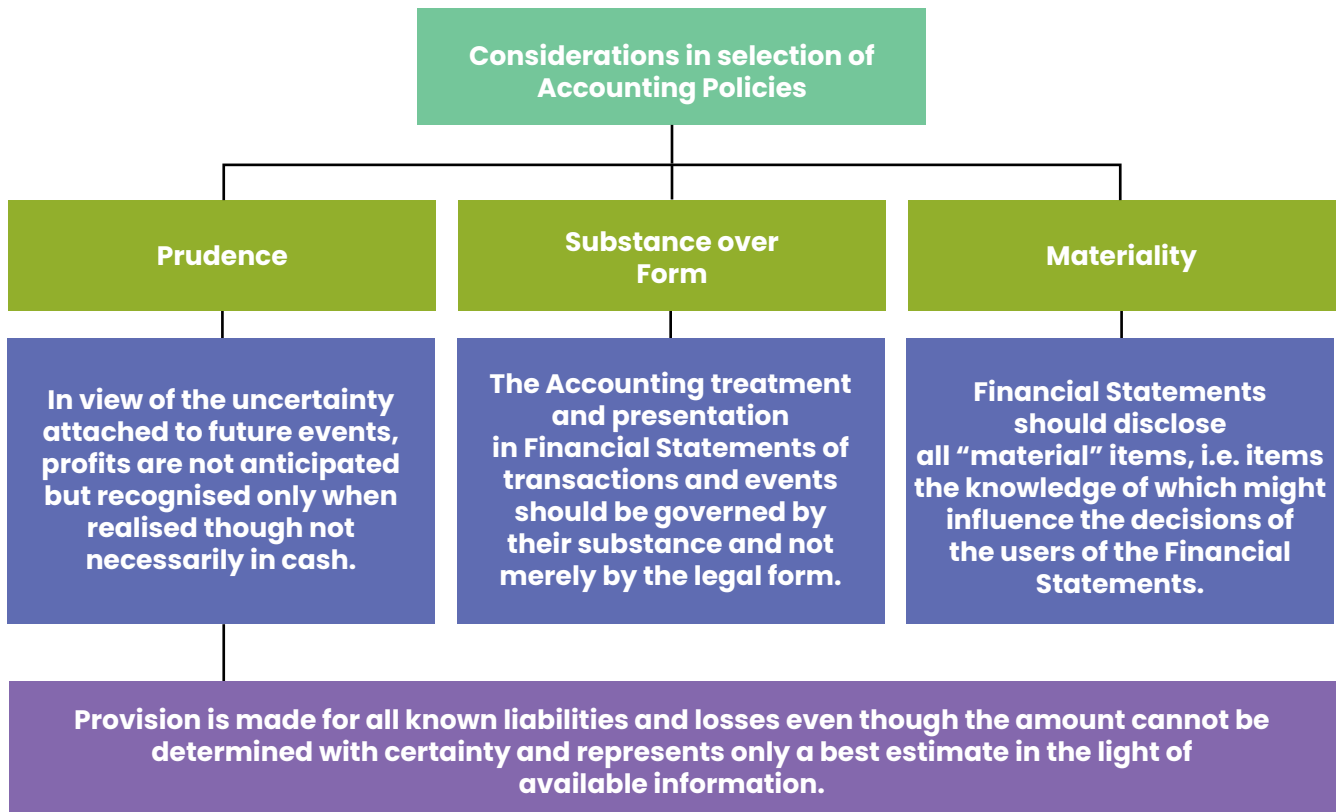


AS 1 “Disclosure of Accounting Policies”

Introduction

AS 1 deals with the disclosure of significant Accounting Policies followed in preparation and presentation of Financial Statements.



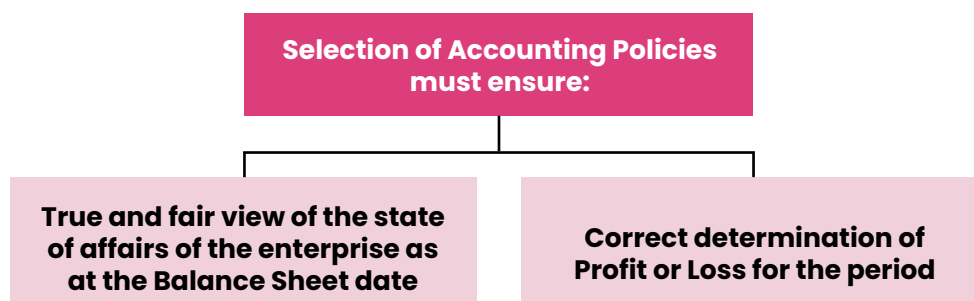


Accountant has to make decisions from various permitted alternative methods for recording or disclosing various items in the Books of Accounts for example:

Items to be disclosed	Method of disclosure or valuation
Inventories	FIFO, Weighted Average, etc.
Cash Flow Statement	Direct Method, Indirect Method
Depreciation	Straight Line Method, Reducing Balance Method, Units of Production Method, etc.

This list is not exhaustive.

Considerations in Selection of Accounting Policies



Disclosure of Accounting Policies

All significant Accounting Policies adopted in the preparation and presentation of Financial Statements should be disclosed.

Disclosure should form part of the Financial Statements.

Disclosure of Accounting Policies or of changes therein cannot remedy a wrong or inappropriate treatment of the item in the Accounts.

Disclosure of Changes in Accounting Policies

