Q.1 Page. 1

ARSHAD ALI
ID.No. 15179
Sub. FRA
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(a)

American Institute of Certified Public Accountants (AICPA)

The American Institute of CPAs (AICPA) is a non-profit organization of Certified public Accountants in the united State. It was estiblish in 1887 and its role is to create and and grade the Certified public Accountants (CPA) examination. During 1930s, The AICPA has a Special Committee working with The New York Stock Exchange on matters of Common intrest. An outgrowth of his Special Commettee was the estiblishment in 1939 of Two Standing Commettees, The Commettee on Accounting Procedures and The Commettee on Accounting Terminology. The Accounting Research Division provide research to aid The APB in making decision regarding accounting Principles. They were only Partialy successfully in developing a well-Structure body of accounting principles. ARB,s are part of GAAP unless They have been Superseded.

Q.1 Page. 2

ARSHAD ALI
ID. No. 15179
Sub. FRA

(b) Financial Accounting Standerds Board (FASB)

The Financial Accounting Standerds Board (FASB) is an independent non Profit Organization That is responsible for estiblishing accounting and financial reporting Standers for Companies and non-profit organizations in The United States, following generally accepted accounting principles (GAAP). The Financial Accounting Standerds Board was formed in 1973 to Succeed The Accounting Principles Board and Carry on its mission. The Securities and Exchange Commission (SEC) recognizes The FASB as The accounting Stander setter for public Companies. It is also recognized by The state accounting boards The AICPA and organizations in The field.

Kay tasks.

- The financial Accounting board (FASB) Sets accounting rules for public and Private Companies as well as non profit in The united States.

Q.1 Page. 3
ARSHAD ALI
ID.No. 15179
Sub. FRA

- A related organization The GASB sets rules for state and local govt.
- In recent years FASB has been working with The international IASB to estiblish compatible standords worldwide.

In 2009 The FAF launched The FASB Accounting Standards [redacted] Codification an online research tools designed as single source for authoritative nongovt generally accepted accounting principles in The united States. It reorganized The Thousands of United States GAAP pronouncements into roughly 90 accounting topics and displys all topics using a constant structure.

The International Accounting Standers Board (IASB) founded in 2001 to replace an alder stander organization is responsible for The International Financial Reporting Standers (IFRS) which are now used in many countries Throughout The world. In recent years The FASB has been working with IASB in an initiative

Q.1 Page. 4
ARSHAD ALI
ID.No 15179
Sub. FRA

to improve Financial Reporting and The Comparabillity of Financial Report globally.

(C) Securities and Exchange Commission (SEC)

The Securties and Exchange Commission is on The front line of Financial Reporting and often is among The first to identify emerging issues and areas of accounting That need attention. Issues needing attention often can be attributed to new and unique transactions That arise in The market place but They also may arise from The authoritative literature.

The SEC Staff ~~f~~ frequently learns of Those issues when Companies engage us in a dialogue as to The appropriate financial reporting answer in advance of an event or transaction, commonly to as pre-clearing an accounting question.

The Staff also gain insights from The Selective review process ~~pof~~ performed by

Q.1 Page. 5

ARSHAD ALI
ID.No. 15179

Sub. FRA

The Division of Corporation Finance and action taken by The Division of Enforcement. Some of The issues The SEC Staff encounters do not require a fundamental change to existing accounting or completion of major project by The FASB. In These situation we may refer an issue to The Emerging issues task force or EITF for The interpretation. In This manner timely and ~~issue to~~ ~~to~~ appropriate guidance can be provided preparers and auditors before inappropriate practies become ingrained.

In light of The SEC unique role it is critical That SEC work closly with FASB particularly as it related to The FASB's agenda. In addition The SEC has The ultimate responsibility to ensoure That The FASB deals with issues referred to it by The SEC.

Q.2 Page. 1

ARSHAD ALI
ID.No 15179
Sub. FRA

Financial Statment

Financial Statement represent a formal record of The Financial activities of an entity. These are written report That quantify The financial Strength, Performence and liquidity of a Company. Financial Statement reflect The financial effect of The business transactions and event ~~of~~ The entity.

Four Types of Financial Statement.

(1) Balance Sheet.
(2) Income Statement.
(3) Cash flow statement
(4) Statement of change of equity.

(1) Balance sheet:-

Balance Sheet also knows as Statement of financial position. It show The Financial position of The Business It is Comprised of an entity of ~~a~~ ~~given~~ The following.

(1) Assets.
(2) Liabilities.
(3) Equities

Q.2 Page.2
ARSHAD ALI
ID.No. 15179
Sub. FRA

(1) Assets:-

Some Thing a business owns OR Controls (e.g cash, inventory, plant and mashinary etc.)

(2) Liabilities

Some Thing a business owes to Someone (e.g Cridors, bank loans etc)

(3) Equity

what The business owes to its owners. This represent The amount of The capital That remains in The business after its assets are used to pay off its outsanding liabilities. Equity Therefore represents The difference b/w. The assets and liabilities.

(2) Income Statment

Income statement also Knows as The profit and loss statement, reports The Company's Financial Performence in Terms of net profit OR Loss over a Specified period.

Q.2 Page. 3
ARSHAD ALI
ID.No 15179
Sub. FRA

Income statement is composed of The following Two ~~event~~ elements.

(1) Income
(2) Expense

(1) Income

What The business has earned over a Period (e.g Sale revenue, dividend income etc)

(2) Expense

The Cost incurred by The business over a period (e.g Salaries and wages depreciation, rental charge etc)

(3) Cash flow Statment

Cash flow statement present The moment in The cash bank blance over a Period. The movement in Cash flows is classified in to The following segments.

- Operating activities:-

Represent The Cash flow from Primary activities of The business.

- Investing activities:-

Represents cash flow from The Purchases and and Sale of assets other Than inventories.

Q.2 Page. 4
ARSHAD ALI
ID No. 15179
Sub. FRA

- Financing activities:-
  Represents cash flow generated or Spend on raising and repaying Share Capital and debt together with The payments of intrest and dividend.

(4) Statement of Change in equity

Statement of change in equity also Known as the Statement of Retanied ~~Ear~~ Earnings, details The movement in owners equity over a period. The movement in owners equity is derived from The following Components.

- Net Profit or loss during The Period as reported in The income statement.
- Share Capital issued or repaid as during The period.
- Dividend payments
- Gains or Losses recognized directly in equity
- Effect of a change in accounting Policy or Correction of accounting error.

Q. 3 Page 1

Arshad Ali
ID No. 15179
Sub. FRA

Ans:-

Basic form of business ownership.

1:- Sole proprietorship:-

A Sole proprietorship is a business owned by only one person. It is easy to set up and is the least cost ly among all forms of ownership. The ownership faces unlimited laibility meaning, the creditors of the business may go after the personal assets of the owner if the business cannot pay them.

The sole proprietorship form is usually adopted by small business entities.

Advantages of Sole proprietorship:-

(1) All profits are subject to the owner
(2) There is very little regulation for proprietorship.
(3) Owners have total flexibility when running the business.
(4) Very few requirments for starting often only business licence.

Disaduantages:-

(1) Owner is 100% liable for business debts.

Q.3 Page 2
Arshad Ali
ID.No 15179
Sub. FRA

(2) Equity is limited to the owner's persnal resources.
(3) Ownership of proprietorship is difficult to transfer.
(4) No distinction b/w persnal and business income.

2:- Partnership:-

A partnership is a business owned by two or more persons who contribute resources into the entity. The partners divide the profits of the business amoung themselves. All partners have ~~ul~~ unlimited liability. In limited partnerships creditors cannot go after the persnal assets of the limited partners.

Advantages of Partnership:-

(1) Shared resources provides more capital for the business.
(2) Each partner shares the total profits of the company.
(3) Similar flexibility and simple design of a proprietorship.

Q.3 Page. 3
Arshad Ali
IDNo. 15179
Sub. FRA

Disadvantages:-

(1) Each partner is 100% responsible for debts or loss.
(2) Selling the business is difficult requires finding new partner.
(3) Partnership ends when any partner decides to end it.

(3) Corporation:-

A Corporation is a business is an organization that has a separate legal persnally from its owners. Ownership in a stock corporation is represented by shares of stock.

The owners enjoy limited liability but have limited involvement in the company-s operations. The board of directors an elected group from the stockholders, controls the activities of the corporation.

Advantages of Corporation-

(1) Limits liability of the owner to debts or loss.

Q.3 Page. 4
Arshad Ali
ID No. 15179
Sub. FRA

(2) Profits and losses belong to the corporation.
(3) Can be transferred to new owners fairly easily.
(4) Persnal assets cannot ~~[illegible]~~ be seized to pay for business.

Disadvantages:-

(1) Corporate operations are costly
(2) Estiblishing a corporation is costly.
(3) Start a corporate business requires complex paperwork.
(4) With same exceptions, corporate income is taxed twice.

(4) Limited Liability Company (LLC)

Similar to a limited partnership an LLC provides owners with limited liability while providing some of the income advantages of a partnership. Essentially, the advantages of partnership

Q. 3 Page 5
Arshad Ali
ID No. 15179
Sub. FRA

and Corporations are combined in an LLC, mitigating some of the disadvantage of each.

Advantages of LLC:-

(1) Limited Liability to the Company owners for debts or loss.

(2) The profits of the LLC are shares by the owners without tax.

Disadvantages.

(1) Ownership is limited by the certain state laws.

(2) Agreements must be comprehensive and complex.