

- 5) Final accounts give a precise idea about the profitability and financial position of a business to its management, owners, and other interested parties. This helps Joan with decision making and strategic planning for the following business year.

In addition to the above, further purposes of accounting include;

- To record business transactions
- To monitor business activity
- To control business operations
- To manage the business
- To measure the financial performance

3.0 Conclusions

All business and economically informed decision making are based on sound analysis of financial statements are a product of accounting information systems. Without a properly kept account, this objective will not have been achieved and Joan would be acting in blindness. Investors - both current and future – base their investment analysis on accounting information. Information on profitability, liquidity and efficiency are all obtained from the information provided by accounting information and are paramount to Joan which helps her with decision making and improving the future performance of her business.

5.0 Appendices

<http://www.accountantnextdoor.com/importance-of-accounting-accountancy/>

<https://blog.udemy.com/importance-of-accounting/>

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