Stages of Data Processing

- This process follows the input-processing-output progression as the raw data are transformed into summarized reports.

ELEMENTS OF FINANCIAL STATEMENTS

1. Statement of Financial Position or Balance Sheet
2. Statement of Comprehensive Income or Income Statement
3. Statement of Cash Flows
4. Statement of Changes in Owner's Equity
5. Notes to Financial Statements

The financial statements are composed of five elements

- Assets
- Liabilities
- Owner's Equity
- Income
- Expenses

Elements presented in the Statement of Financial Position or Balance Sheet

- Assets
- Liabilities
- Owner's Equity

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Elements in the Statement of Comprehensive Income or Income Statement

- Income
- Expenses

Financial Position

Assets

- This is a present economic resource

In the definition it states about the three (3) aspects

1. Rights can have potential economic benefits in a various way
o Rights that correspond to an obligation of another party (e.g. rights to receive cash, to receive goods and services, to exchange economic resources with another party on a favorable terms and to benefit from an obligation of another party to transfer an economic resources if a specified uncertain future events occurs)

o Rights that do not corresponds to an obligation of another party (e.g. rights over physical object and right to use intellectual property).