

Users of Accounting Information

Analysis and communication of accounting information

Candidates will evaluate the diverse interests and range of information needs of parties who may have an interest in a business. Candidates will assess how financial information can be analysed and interpreted using a range of financial ratios in order to allow users of financial statements to gain an understanding of the business performance. They will explore the use of such ratios in comparison with other similar businesses and industry benchmarks, including having an appreciation of problems which may limit the usefulness of such an analysis.

Users of accounting information

Candidates should have an understanding of:

- the differing requirements for information of stakeholders including:
 - owners
 - managers
 - employees
 - investors
 - lenders
 - suppliers
 - customers
 - government
 - public and environmental bodies
- how to communicate and analyse the information required by these different stakeholders

(e) State **one** reason why each of the following may be interested in the financial statements of a business.

1 Employees

.....

2 Suppliers

.....

3 Government

.....

[3]



(d) Identify **two** internal stakeholders with an interest in the financial statements of a limited company.

- 1
- 2 [2]



(c) Identify **two** external stakeholders.

Explain why they may be interested in the financial statements of a business.

Stakeholder 1

.....

Interest

.....

.....

Stakeholder 2

.....

Interest

.....

.....

[4]

[Total: 15]

