

B-15.12

Match the following accounting assumptions to the appropriate explanations that follow:

Entity Assumption
Going-concern assumption
Periodicity assumption
Monetary unit assumption
Stable currency assumption

- (a) Overcomes mixing alternative measurements into the financial statements.
- (b) A continuous business process can be segmented into discrete intervals.
- (c) Provides for an orderly allocation of costs and revenues over extended time periods.
- (d) Justification for consolidating the accounts of separate legal entities.
- (e) Because of this, changing currency values due to inflation effects are disregarded.