Accounting is the financial information system that provides this insight. In short, to understand your organization, you have to know the numbers.   
  
            Accounting consists of three basic activities -**identifies, records and communicates** the economic events of an organization of interested users. Let’s take a closer look at these three activities.  
  
**American Institute of Certified Public Accounts (AICPA)**, “Accounting is the art of recording , classifying and summarizing in a significant manner and interims of money transactions and events which are, in part at least, of a financial character and interpreting the results thereof”  
  
**American Accounting Association (AAA)**, “Accounting refers to the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information”.  
  
**A.W. Johnson**, “Accounting may be defined as the collection, compilation and systematic recording of business transactions in terms of money, the preparation of financial reports, the analysis and interpretation of these reports and the use of these reports for the information and guidance of management”.  
  
**Weygandt Kieso and Kimmel**, “Accounting is an information that identifies, records and communicates the economic events of an organization to the interested user”.