**LEARNING GUIDE**

**Directions:** Answer each of the following questions. Use a separate sheet of paper to record your
responses.

**Objective A**

 1. What is financial information?

 2. Give at least three examples of personal financial information.

 3. Give at least three examples of business-related financial information.

 4. Why must financial information be understandable?

 5. Describe what makes financial information relevant.

 6. Describe what makes financial information reliable.

 7. What does it mean for financial information to be neutral?

 8. Why must financial information be comparable?

 9. Even within the same set of standards, there may be more than one way to “treat” (record and organize) a piece of financial information. What is the most important thing to remember about “treating” financial information?

**Objective B**

 10. Explain the most important use of financial information for a company.

 11. How does financial information help businesses reduce expenses?

 12. Describe how financial information helps businesses increase sales.

 13. How does financial information help businesses boost profits?

 14. Explain how financial information helps businesses make purchase decisions.

 15. How does financial information help businesses create and adjust budgets?

 16. Describe how financial information can help businesses manage their debt.

 17. How does financial information help businesses plan for expansion?

 18. Explain how financial information can help businesses enter into legal agreements.

 19. Describe how financial information helps businesses monitor their ongoing activities and strategies.