

## Theoretical Analysis of Capital Expenditure over All View

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### ABSTRACT

The complexities of modern business have brought to management some problems which only accounting can solve and others on which accounting throw necessary and helpful light. With the widening of corporate ownership accounting was found both necessary to and capable of an intelligible presentation, within reasonable compass, of the financial data required to be furnished by the management to investors. Although all of these facets of accounting and money others, had long been well-known to the business world, the committee included in its definition so specific mention of them; but careful attention to such phrases as summarizing in a significant manner; transactions and events..... Of a financial characters, and interpreting the result thereof, will reveal that the definition is a fact broad enough to love them all.

**Key words:** accounting, management, ownership

### INTRODUCTION

Similar careful attention to the significant words, 'the art of recording facts, classifying, and summarizing will rule out any interpretation that no move is indicated than book keeping. The recording and classifying of data in account books constitute an accounting function, but so also and no a higher level do the summarizing and interpreting of such date in a significant manner, whether in reports to management, to stock-holders, or to credit guarantors, or in income tax returns, or in reports for renegotiations or other regulatory purposes. It should be recognized that any tears definition necessarily has limitations, particularly where the subject is a broad and complex one. The foregoing definition and the related comments have served useful purpose over an extended period of year. This period has witnessed great strides in improvement of systems and machinery for data processing clearer understanding of the elements and importance of a co-ordinate system of internal control and better recognition of the needs of management and of the reports required to fulfill fiduciary responsibilities to others.

### The to following revised working is submitted:

Accounting is the body of knowledge and function concerned with systematic originating, authenticating, recording, classifying, processing, summarizing, analyzing, interpreting and supplying of deportable and significant information covering transactions and events which are in part at least of a financial character, required for the management and operation of an entity and for the reports that have to be submitted there on to meet fiduciary and other responsibilities.

The professional status of accounting makes it appropriate to place the 'body of knowledge' on a co-ordinate basis with the 'Functions'. of accounting. The attachment of 'Systematic' to the activities and of 'dependable' to the information brings out the need for planning and control and 'required for the management and operation' covers the major internal purposes. While the 'reports... to meet fiduciary other responsibilities' covers the major external purpose of accounting.

Accounting is essential to the effective functioning of any business organization, particularly the corporate form. The test of the corporate system and of the special phase of it represented by corporate accounting ultimately lies in the results which are produced. These results must be judged from the stand point of society as a whole not merely from that of any one group of interested persons.

The use to which the corporate system is put and the control to which is subject change from time to time, and all parts of the machinery must be adopted to meet changes as they occur. In the past sixty years, there











