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عَرَفُورُ مَرَاتِحُ

18 نَحْنُ وَتَرْتِجُهُمْ ۖ ١٤٤٧

سَرِ سَرَحَ حُر: 454/CIR/2025/12

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1. **Revenue Recognition**: Revenue is recognized when the company has transferred control of the goods to the customer, which typically occurs at the point of sale. This is in contrast to the cost of sales, which is recognized when the goods are purchased from the supplier.

2. **Matching Principle**: The matching principle requires that expenses be recorded in the same period as the revenues they help to generate. For example, the cost of the goods sold (COGS) is recorded in the same period as the revenue from the sale of those goods.

3. **Accrual Basis Accounting**: Under accrual basis accounting, revenue is recognized when it is earned, regardless of when cash is received. Similarly, expenses are recognized when they are incurred, regardless of when cash is paid.

4. **Inventory Valuation**: Inventory is valued at the lower of cost or market. The cost of inventory is determined using methods such as FIFO (First In, First Out) or LIFO (Last In, First Out).

5. **Depreciation and Amortization**: Depreciation is used to allocate the cost of tangible assets over their useful lives. Amortization is used to allocate the cost of intangible assets over their useful lives.

6. **Provision for Doubtful Accounts**: A provision for doubtful accounts is established to estimate the amount of receivables that may not be collected.

7. **Deferred Revenue**: Revenue that has been received but not yet earned is recorded as deferred revenue. This is typically used for services that are provided over time.

8. **Prepaid Expenses**: Expenses that have been paid but not yet incurred are recorded as prepaid expenses. This is typically used for insurance and rent.

9. **Accrued Expenses**: Expenses that have been incurred but not yet paid are recorded as accrued expenses. This is typically used for interest and wages.

10. **Accrued Revenue**: Revenue that has been earned but not yet received is recorded as accrued revenue. This is typically used for interest and services provided.

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Chirano! Chano

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