-Relevance: Accounting information must be capable of making a difference in a decision. There are three ingredients:

 " Timelines, Feedback Value, Predicative Value"

-Reliability: the quality of information that gives assurance that is free of error and bias. There are three ingredients:

 "Verifiability, Representational Faithfulness, Neutrality"

2-Secondary: we have two

-Comparability: is the ability to compare Accounting information of different companies because they use the same Accounting principles.

-Consistency: is using the same Accounting principles and methods from year to year within a company.

**Elements of Financial Statements:**

( Assets, Liabilities, Equity, Investment by owners, Distributions to owners, Comprehensive Income, Revenues, Expenses, Gains, Losses)

**Third Level:** Operating guidelines (Assumptions, Principles and Constraints)

A-Assumptions of Accounting:

1-Economic Entity 2-Going Concern 3-Monetary Unit

4-Periodicity

B-Principles of Accounting:

1-Historical Cost Principle 2-Revenue Recognition

3-Matching Principle 4-Full Disclosure Principle

C-Constraints of Accounting:

1-Cost-benefit Relationship 2-Materiality 3-Industry Practices

4-Conservitism

Assets= liabilities +owners equity or capital