TO OUR READERS

Accounting is in an age of rapid transition; its environment has undergone vast changes in the last two decades and an accelerating rate of change is in prospect for the future. Changing social attitudes combine with development in information technology, the adoption of new management philosophies and the growing intensity of competition, both local and global, to affect radically the environment in which accounting operates today.

In fact, the increasing complexity in economic environment has led to innovation of new financial instruments. There has been emergence of derivative financial instruments such as forward contract options, money market hedges and futures. Accordingly, the relevance of financial numbers in the overall context of decision-making is dictating the need towards evolution of new valuation concepts such as "mark to market" deviating from the traditional historical cost. The trend towards 'fair value accounting' started after the crisis of savings and loan entities in late 80's in the United States. The declining assets in the books of many such entities because of interest rate mismatch, junk bonds, leveraging and other reasons would have been visible much earlier if market values rather than historical costs would have constituted the basis of valuation of assets and liabilities in the balance sheet. A timely action would have prevented the accumulation of losses, avoiding meltdown of such entities and significantly reducing the salvage operations that had to take place. Thus, accounting has been evolving and keeps embracing fresh ideas to cope with the challenges of dynamic economic environment.

Accounting is moving away from its traditional procedural base encompassing record keeping and such related work as the preparation of budgets and final accounts, towards a role that emphasises on its social importance. The social welfare theory of accounting requires that the interests of employees, trade unions and consumers be taken into account, and that the traditional imbalance existing in the supply of information should be corrected. Social responsibility accounting draws attention to the gulf existing between the sectarian interests represented in conventional business accounting and its focus on profit, and the need to see the entire social role of business organisation in the context of all those affected by its activities.

The emergence of social responsibility accounting imposes new information objectives for accounts, requiring a new accounting methodology. Lately, the concept of social responsibility accounting has been enlarged to include a concern for ecology in the form of what has become known as 'green accounting or Sustainability Reporting.

The extension of accounting to non-traditional territories like human resources accounting, environmental accounting, agriculture and animal husbandry activities, etc. has been with the basic objective to ensure well-informed decision making by all and sundry to avert economic disasters. Such areas foam challenges and in turn provide opportunities to develop appropriate standards akin to traditional areas of economy.

This issue of the journal focuses on certain special topics in accounting like environmental accounting, hedge accounting, agriculture accounting, data mining techniques, etc. apart from an article on revenue recognition to update the readers. The Issue also deals with certain specialised aspects of the Bank Audit, particularly at the Head Office level for the benefit of readers. Hope the readers will find the Issue useful!

--Editorial Board
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We Cannot All be Great, But We Can Attach Ourselves To a Great Cause