**Exercise 3.1**

Time required: 40 Minutes

In the last session we have discussed some of the challenges and issued to Financial reporting. One such issue, which we have discussed is that one Unique characteristic of Government is that Government is to provide services and redistribute resources and not to make a profit. The Reporting implication, as we , discussed is that net cost of services and affordability of services should be reported. The net economic resources (accumulated surplus/deficit) available to use in providing future services should be reported. You are required to discuss as to Why is reporting the cost of services important. The participants will be distributed in groups and each group will write on black board at least one or two points.