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# Benefits of Green Accounting

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## Introduction

Environmental accounting is more than accounting for accounting cost & benefits. It is accounting for any cost & benefits that arise from changes to a firm products or processes, where a change also involves a change in environmental impacts. There has been an increasing awareness in the development of Green Accounting as a response to the acknowledgment that standard conventional national account as indicators for the assessment of economic performance have neglected the scarcity of natural resources.

Green accounting has begun to be widely applied both in developed and developing countries. Developed countries have achieved a lot of progress in these fields. Developing countries such as Jordan and U.A.E. are still in their early stages. The World Bank is currently focusing on two prominent indicators linking the macro-economy, the environment and sustainability. These indicators are built on the idea that the generation of well-being depends on a country's asset base, which includes natural resources as well as produced and human capital. And the country's capacity to sustain growth in well being is closely linked to how such asset base varies over time.

## Need of Green Accounting

For developing countries like India it's a twin problem about saving environment and economic development. As the countries economy is not very strong, hence it should be improved first. A study by World Bank estimated that about '34000 crores were lost by India due to Environmental Damage i.e. about 9.5 % of GDP. Companies like AT&T are practically implementing green accounting. And they say that, "identifying and measuring AT&T's costs of environmental materials and activities, and using this information for environmental management decisions." Coz to develop and use nonpolluting technologies, minimize wastes, increase recycling, design products and processes with environmental impacts as a critical factor, and raise all employees' awareness of environmental responsibilities.

Many environmental costs can be significantly reduced or eliminated. Environmental costs can be offset by generating revenues.

## Benefits of Green Accounting

**Cost Reductions:** Environmental cost accounting can allow you to experience savings related to

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