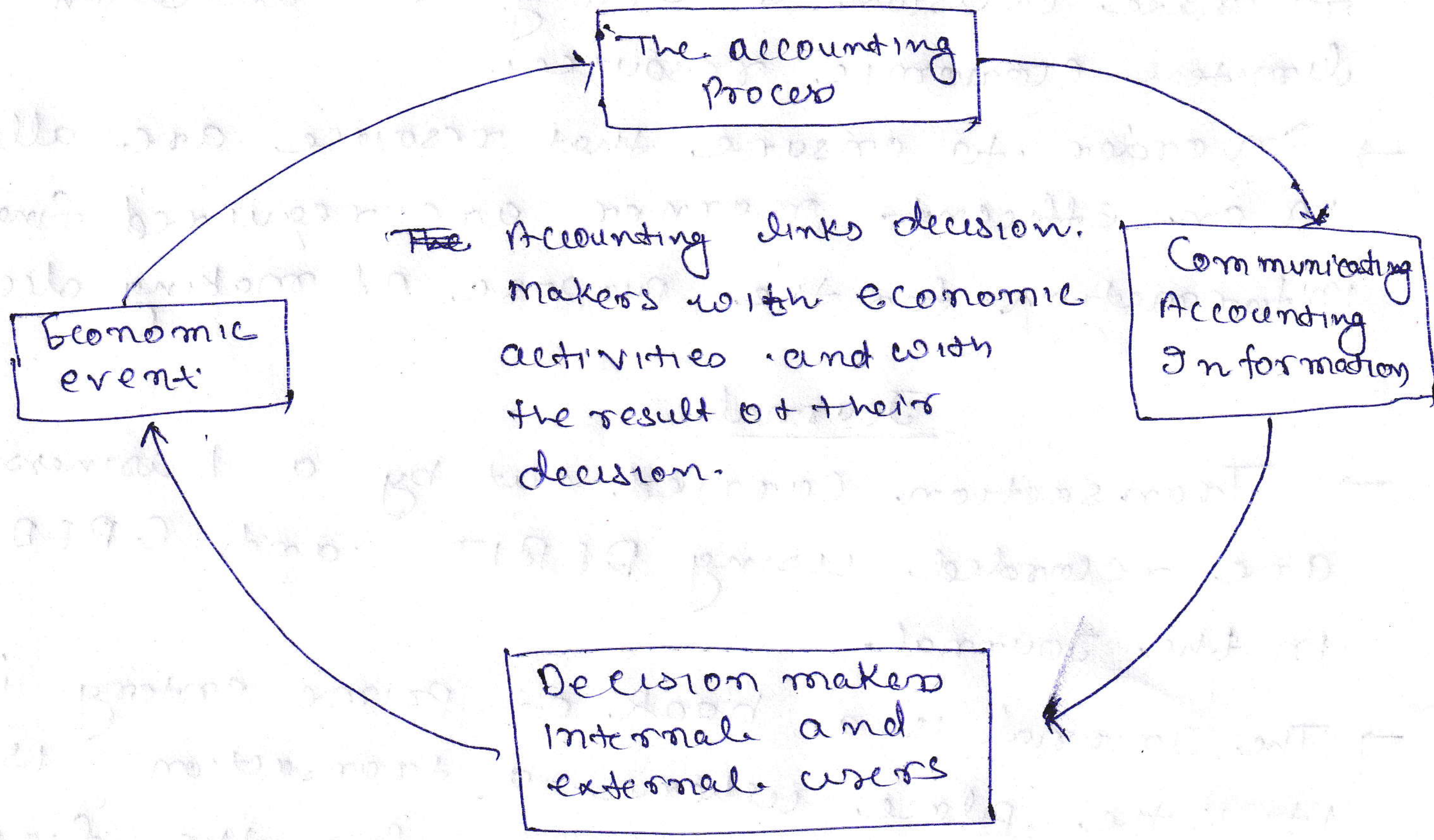
* Accounting . Concepts and Convention

→ The art of Recording . classifying , summarising analysing and interpreting . the business transactions systematically . and communicating business . results to interested users . is accounting.

→ The American Accounting Association defined accounting as .

→ It . is the process of identifying measuring Recording . and communicating the required information relating to the economy event of an organization to the interested users of such information.

→ According process can be summarised as.



Accounting as Information System.

→ In 1970 the accounting principle Board of the American Institute of Certified public Accountants (AICPA) ~~empo~~ emphasized that the function of accounting is to provide quantitative information. ~~primary~~ Primarily financial in nature about economic entities that is intended to be useful in making economic ~~decs~~ decisions.

→ According to often called the language of Business. It is the common language used to communicate financial information to individuals, organisations and govt agencies about various aspect of business such as, financial position operating result (i.e profit or loss) and Cash flows.

→ Users both inside and outside the business have to make decision concerning the allocation of limited economic resources.

→ In order to ensure that resource are allocated in an efficent manner are required financial information for the purpose of making decision.

Journal

→ Transaction carried out by a business are recorded using DEBIT and CREDIT in the Journal.

→ The Journal is a book of prime entery ie it is the place where a transaction is recorded by the business for the first time.

→ The Journal is not the books of Account.

→ The entries made in the Journal are posted to the books of account at periodic intervals.

→ The format of Journal is as follows.

~~Date~~	~~Details~~