	Chapter-2 Basic Accounting lerms
	The state of the s
1)	Business Transaction -> A business transaction is an economic
	Business Transaction -> A business transaction is an economic activity of the business that changes its francial position.
	the state of the s
2)	Account - An account is a ledger record in a summarised
	form, of all the transactions that have taken place with the
	particular person.
3)	Capital > It refers to the amount invested by the proprietor in a business enterpise.
	ûn a business enlorpise.
A Secretary of the second	The will be a state of the stat
4)	Drawing > Any Cash or value of goods withdrawn by the owner. for personal use or any private payments made out of business funds are called drawings.
	for personal use or any private payments made out of
	busines funds are colled arawings.
- 5	Sobility -> It refers to the amount which the firms owns to outsider. and slittles further divided as - Inkrnal Sobilities (iii) Non-Current Stabilities
	Andrewall releter (iii) Non-Current Stabilities
	External d'abilities (iv) Current d'abilities
	EXECUTE ADDITIONS OF THE PARTICULAR CONTRACTOR OF THE PARTICULAR CONTRACTO
1	Assets - Assets are valuable resources owned by a business
<del></del>	and some which can be measured in terms of money
/	Auch may be classified as-
(;)	niew- I II H YOUT I TWELL
0	Toroible Assets (b) Won- Toroible Assets
(ii)	Corrent Herek
iii)	Fictitious or Nominal Assets
7)	Capital Receipt And Revenue Receipt -> Revenue Leveripts are Shown on credit side of Tracking of Ple Alc whereas Capital Receipts
	on credit side à Trading & Me mercus capital receips
	chain in Ralance sheet.

8)	Expenditure > Expenditure is the amount spent for acquiring assets, goods & services. Expenditure one classified of Goptal Expenditure (11) Revenue Expenditure  Deferred Revenue Expenditure
	assets, goods & services. Expenditure are classified as-
i)	Capital Expenditure (11) Revenue Expenditure
iii)	Deferred Revenue Expendêture
9)	Expenses > Expense is the Cost incurred in producing and selling the goods & Services.
	Selling the goods & Services.
424	
10)	Income > Excess of. Revenue over expenses is called income.
(11	Profit > It is the excess of total Revenue over total expenses of a business enterprise for an accounting period.
	d'a business enterprise for an accounting beriod
100 60	
12)	Grain -> Grains arises from events or transactions which are incidental to business such as sale of a fixed asset.
	incidental to business such as sale of a fixed asset.
	(2) (1) (2) (4) (2) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4
13)	Loss - When total expenses exceed the total revenue of a business enterprise then it is termed as Loss.
	business enterprise then 17 is termed as doss.
14)	Purchases The term Reverbases is used for buying of goods for resale or for use in manufacturing process.
<u>.</u>	resale or for use an manufacturing process.
(-)	Sales - The term sale is used for the amount of sale of goods of Services rendered.
	of and A Services rendered.
16)	Stock - The ferm stock miludes the value of those goods
	which are purchased for reselling & which are lying
	Stock > The term stock includes the value of those goods which are purchased for reselling & which are lying unsold at the end of accounting period.
N. S.	The second of th
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19)	Inventory > In Gre of manufacturer, those can be applied
	Inventory In Gase of manufactures, there can be opening of closing inventory of a types;
; <b>)</b>	Inventory of Row Makerfal
ii)	Inventory of Work-In-progress
iii)	Inventory of finished goods
jv)	Inventory of Stock-in-trade.
18)	Trade Receptable - It refers to the amount relceivable on account
	of wall of goods or services rendered by company
***	Trade Receivable Include Debtons and Bills Receivable.
<b>©</b>	Debtors -> It represent to those persons or from to whom
	Debtors -> It represent to those persons or from to whom  goods have been sold or services rendered on credit & payment  has not been received by the services rendered on credit & payment
•	has not been seceived from them.
6	0011 2000 11 0000
	Bill Receivable > A bill of exchange become bill receivable for the person who draws it (drawer) & gets it back, after its
â.	accordance have the deader) & gets it back, after its
	acceptance from the drawee.
19)	Trade Paughle - Trade Paughlas is the assay to
	of goods purchased on sexusion taken in mount payable on account
	Trade Payable -> Trade Payables is the amount payable on account of goods purchased or services taken in normal course of business. Trade Payable include Creditor & Bills Payable.
	Joseph Granding Grand Tayloric.
0	Creditors - It represent to those persons on linns from whom condi
	have been purchased or services procured on Gredit & roungest
	Creditors - It represent to those persons or firms from whom goods have been purchased or services procured on Geolit of payment has not been made to them.
No.	
• •	Bills Payable > A bill of exchange become Bill Payable for the person who accept it (drawce) & Return it to drawer.
	person who accept It (drawce) & Return It to drawer.

20)	Goods - Goods include all those things which are purchased for reselling or which are used for producing finished products.
3	for reselling or which are used for producing frished
	products.
(اق	Cost → Cost can be termed as the amount of resources given up in exchange for some goods or Serveces.
4.)	Ouen up in exchance lan come and and or Sexuella
	giver up un crange par soma gous or accordance
(6%	Noucher - Noucher is a document on the basis of which
	Voucher > Voucher is a document on the basis of which transactions are first recorded in the books.
	Administration of the sound of the Continue of the control of the
23)	Discount → It is the allowance given by seller to the buyer.  It is of itwo types?—
Pro A C	It is of the street in
The sead of	a B the common british to desire a final than
;)	Trade Discount (ii) Cash discount
24)	Goods & Services Tax (GST) -> All indisect taxes have been merged into a single tax known as GST.
	merged into a single tax known as GrsT.
25)	Bad debts - It is the amount that has become irrecoverable
	from a debtor.
1 1	ALL TO AND
26)	Insolvent > A person or an enterprise which is not in a possition to pay its debts.
	position to pay its debts.
- 40.	
27)	solvent > A person or an enterprise which is in a position to pay its debts.
	to pay its debts.
88	Revenue > Revenue is the mome of a recurring nature such as receipts from sale of goods, Rent etc.
	such as viceipts from sale of goods, Rent etc
	마이트 (1985년 1일 전 1985년 1일 전 1985년 1987년 - 1987년 1일 전 1985년 1일 전 198

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29)	Turnover > Turnover means total sales made in a particular
	perood.
30)	Livestock → Domestic curimals such as cattle or horses are known as livestock.
300	known as livestock.
1 y	
31)	Investments -> It refers to deployment of funds in the shares or desentues of Companies with the intention of
	shares or desentures of Companies with the intention of
	couring a return.
32)	Merchandise > Broods for Resale.
_33	Fichthous Asset -> These are the assets which cannot be realised in Cash.
	realized in Cash.
No.	