

The Flow of Book Keeping



Golden Rules of Accounting

3 Kinds of Accounts



Real A/c

Debit

What comes in

Credit

What goes out

Personal A/c

Debit

The Reciever (Who owes to business)

Credit

The Giver (Whom business owes)

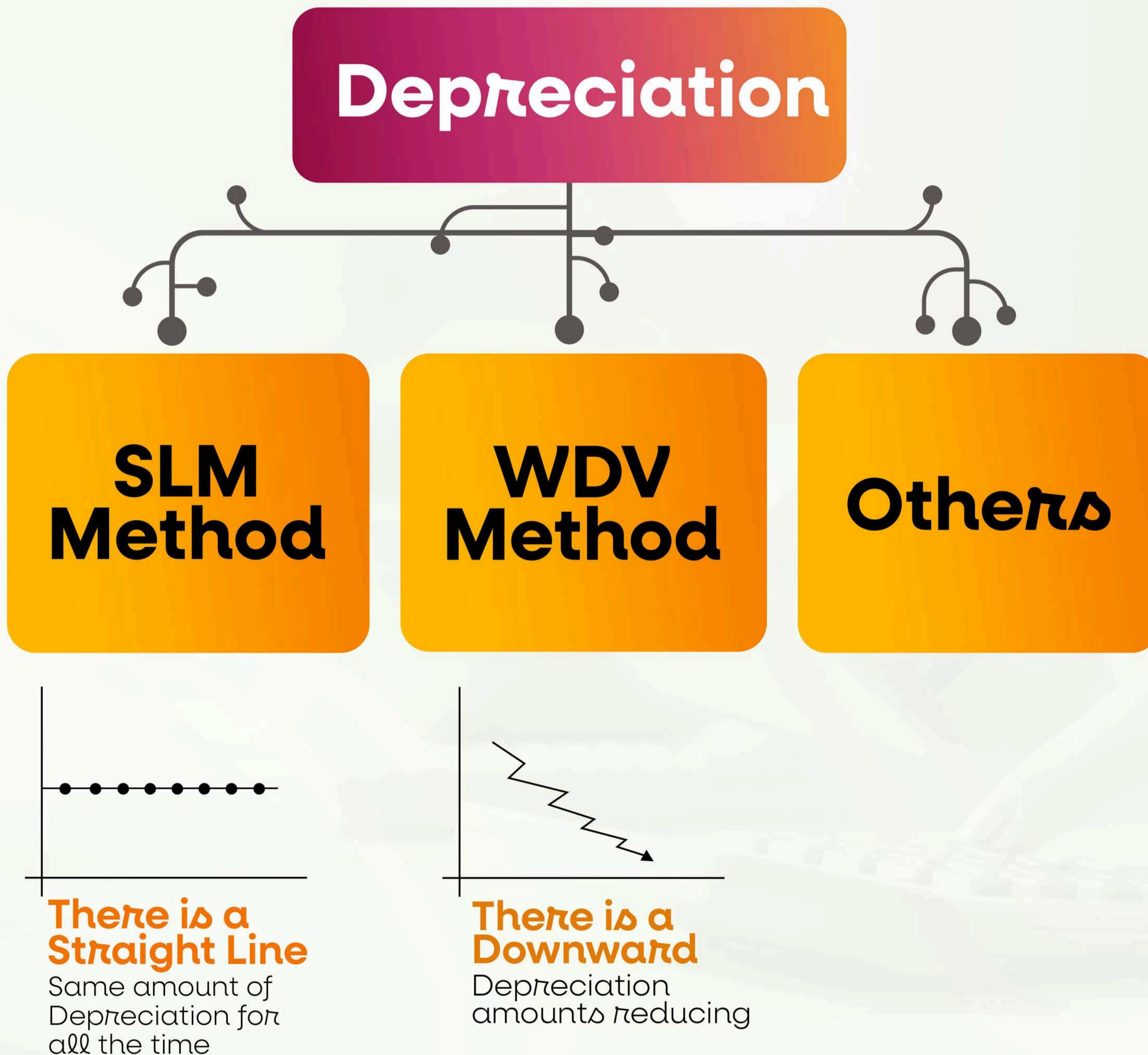
Nominal A/c

Debit

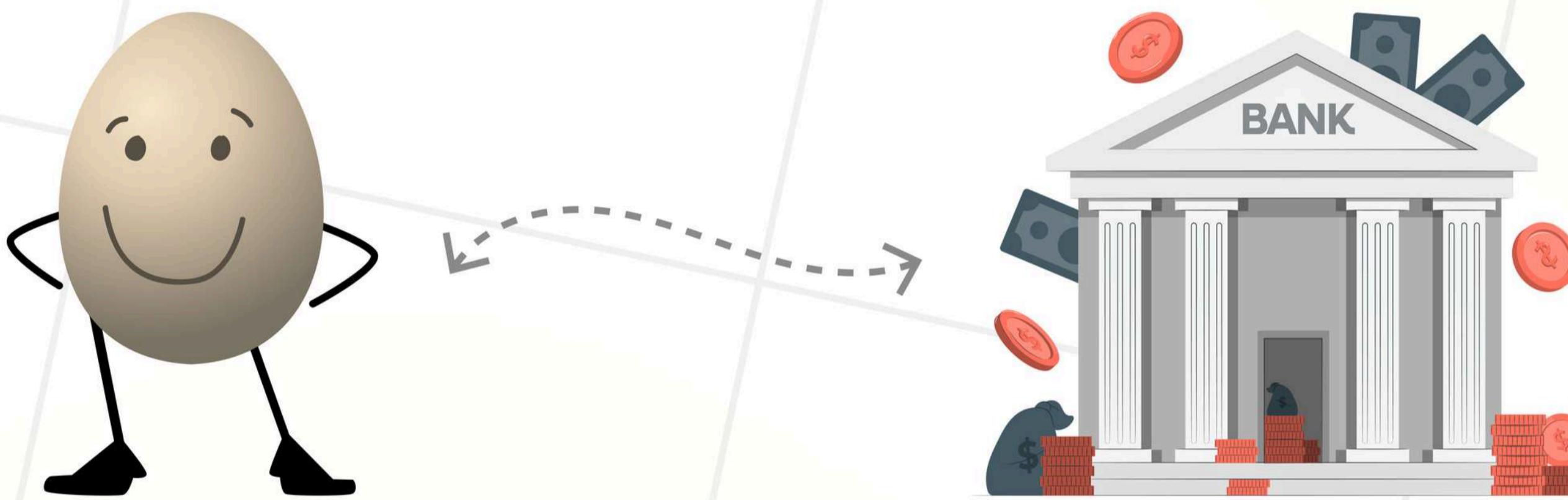
All Expenses and Losses

Credit

All Incomes and Gains



Bank Reconciliation Statement (BRS)



Bank A/c

Cl. Balance ₹1000



Reason

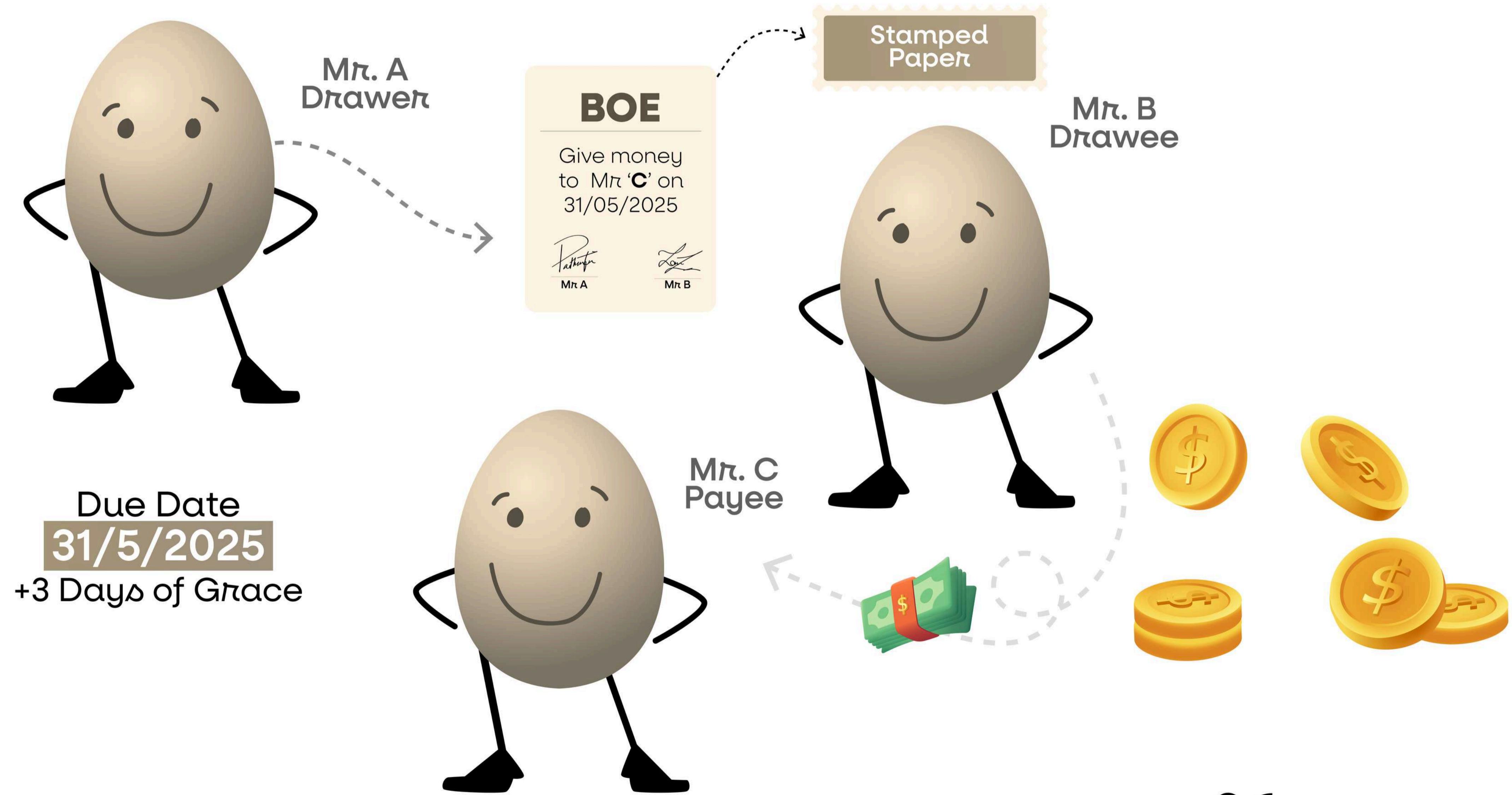
Bank Statement



Cl. Balance ₹1200

BRS

Bill of Exchange (BOE)





Special Purpose Subsidiary Books

Cash Transaction

Cash Sales &
Cash Purchase

Cash Receipts &
Cash Payments

Cash Book

Credit Transaction

Credit Sales &
Credit Purchase

Sales Return &
Purchase Return

Depreciation &
Bad Debts etc.



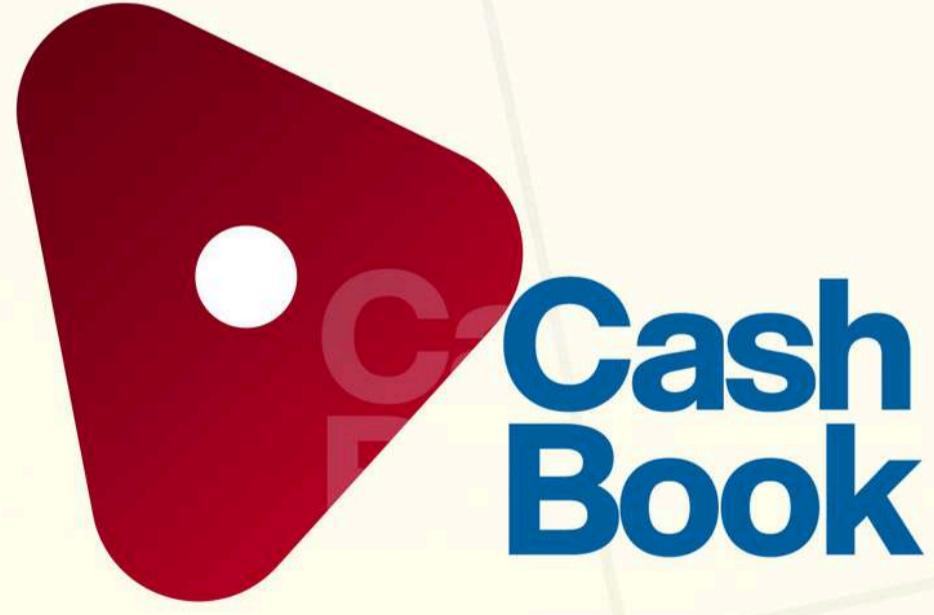
Special Purpose Books



**Sales
Book**



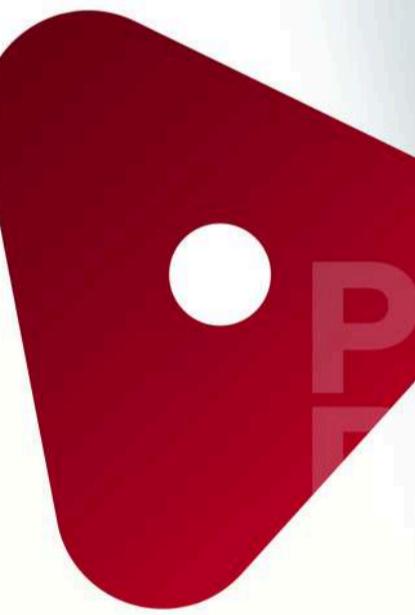
**Purchase
Book**



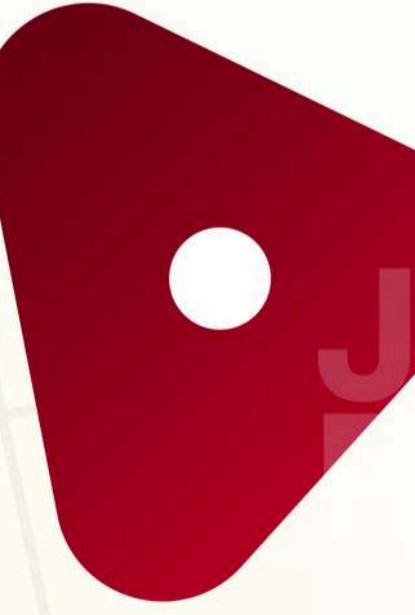
**Cash
Book**



**Sales
Return Book**



**Purchase
Return Book**



**Journal
Proper**

5 Kinds of Account

Expenses Revenues
Assets Liabilities & Capital

Balance Sheet

Owner's Equity & Liability	Amount	Assets	Amount
Capital		Fixed Assets Gross Value Less Depreciation Intangible Assets	
Liabilities Non Current Liabilities		Current Assets Inventories Trade Receiver Cash Balance Others	
Current Liabilities			
	XXX		XXX

5 Kinds of Account

Expenses

Revenues

Assets

Liabilities & Capital

Trading & Profit & Loss Account

Particular	Amount	Particular	Amount
Cost of Goods Sold		Sales	
Gross Profit c/d			
Indirect Expenses		Gross Profit b/d Indirect Incomes	
Net profit to Capital A/c			