

FUNDAMENTALS OF ACCOUNTING

B. Tech Semester – VI

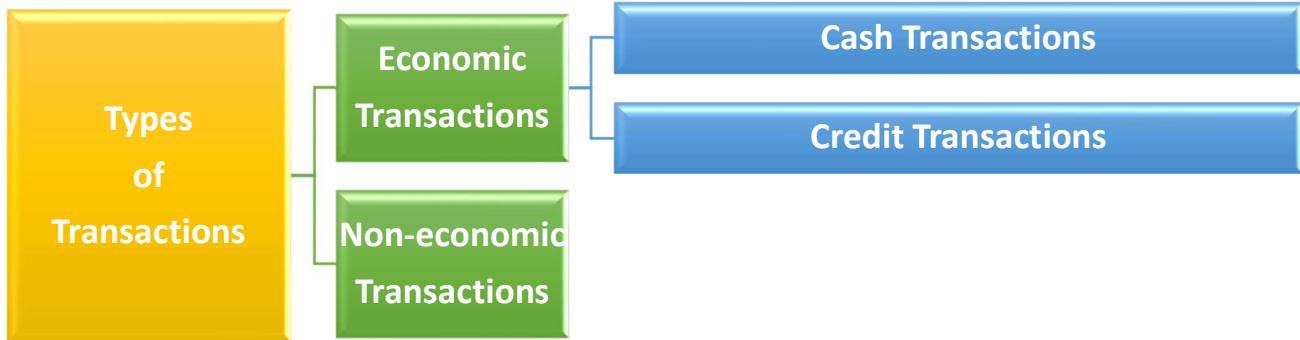


Prof. Javed S. Nathani
Assistant Professor
Darshan Institute of Engineering & Technology



Rajkot – Morbi Highway, Rajkot – 363650

Types of Transactions



1. Economic Transactions:

- Those transactions in which money is exchanged, or things or services are exchanged; and which can be measured in terms of money; are called economic transactions.
- E.g., Goods sold to Mr. X for ₹ 10,000.
- E.g., Travelling Expense paid ₹ 5,000.

2. Non-economic Transactions:

- Those transactions in which neither money is exchanged nor there is an exchange of things or services; and which cannot be measured in terms of money; are called non-economic transactions.
- E.g., Invitation to a friend for dinner.
- E.g., Order received from Mr. X for goods of ₹ 10,000.

Types of Economic Transactions:

1. Cash Transactions:

- A transaction in which, there is a receipt or payment of cash is a cash transaction.
- Cash balance is affected by such a transaction.
- E.g., Goods purchased for ₹ 50,000.
- E.g., Goods sold to Raj for ₹ 10,000. Amount paid by cheque.

2. Credit Transactions:

- A transaction in which, there is no receipt or payment of cash taking place immediately, but it is postponed to some future date is known as credit transaction.
- Cash balance does not get affected by such a transaction.
- E.g., Goods sold to Mr. Rahul for ₹ 10,000.

Types of Accounts



1. Personal Account:

- Accounts related to Natural Persons, Artificial Persons (Company or Organisation) and Representative Persons.
- E.g., Mr. A's A/c, LIC A/c, etc.

2. Real Account:

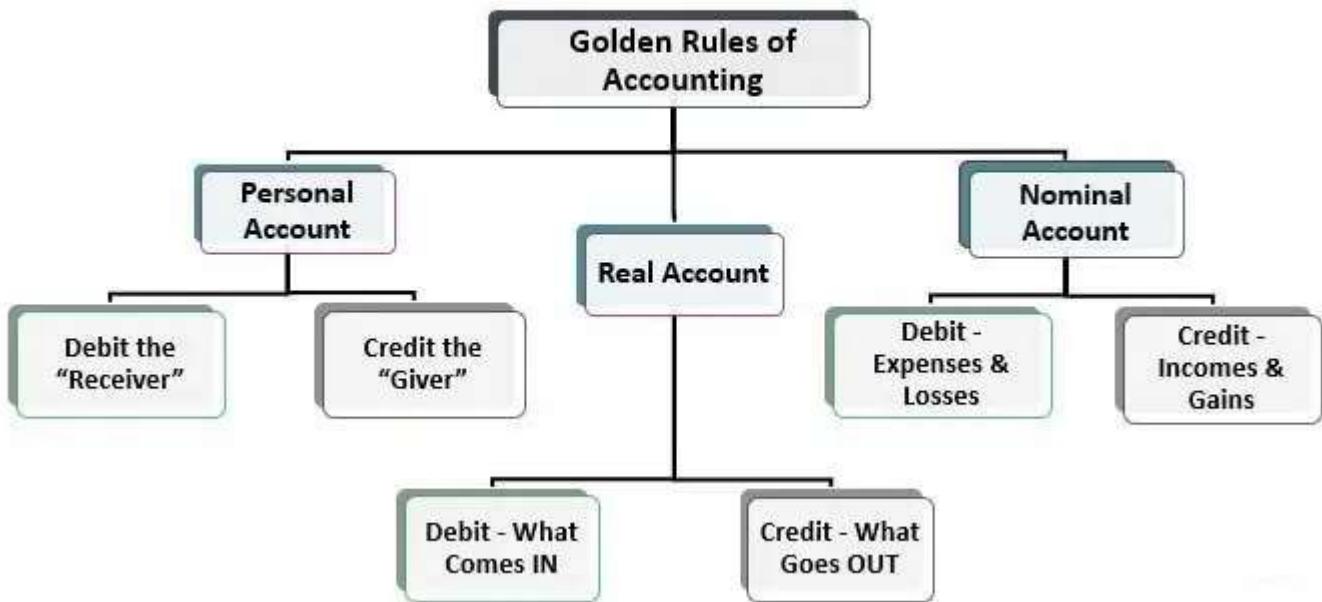
- These accounts are related to Belongings to Enterprise.
- E.g., Land A/c, Machinery A/c, etc.

3. Nominal Account:

- These accounts are related to Expenses, Incomes, Losses and Gains.
- E.g., Rent paid A/c, Rent received A/c, etc.

Rules of Accounts

Accounting Rules



THANK YOU