

# **Mindspark**

## **Accounting Notes**

### **Contents**

- 1. Introduction to Accounting**
- 2. Double Entry System**
- 3. Financial Statements**
- 4. Trial Balance**
- 5. Profit & Loss Account**

### **Chapter 1: Introduction**

**Accounting = language of business. Records, classifies, and summarizes transactions.**

### **Chapter 2: Double Entry System**

**Every transaction has two aspects: Debit & Credit.**

### **Chapter 3: Financial Statements**

- Balance Sheet**
- Income Statement**

### **Chapter 4: Trial Balance**

**List of all ledger balances to check arithmetical accuracy.**

### **Chapter 5: Profit & Loss Account**

**Shows revenues, expenses, and net profit/loss.**

**Key Points: Accuracy and honesty are essential in accounting.**