



BASIC ACCOUNTING & FINANCIAL TERMINOLOGY

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Program Objectives

(1 of 2)



Understand basic accounting and financial terminology.



Learn how double entry accounting works.



Explore the world of accounting cycle, accounts, assets, equity, receivables, accounts payable, liabilities and ledgers.

Program Objectives

(2 of 2)



Discover which accounting system works best for you.



Explore how computerized accounting works and it's benefits.



Understand financial statements, income statements, statements of owner's equity, balance sheets and cash flows.

A woman with long brown hair, wearing a light blue blazer over a white shirt, is sitting at a white desk in a modern office. She is focused on her work, typing on a laptop. The desk is cluttered with various items: a laptop, a pair of glasses, a stack of colorful sticky notes, a pen holder with colorful pens, and some papers. In the background, there are large windows offering a view of a city with green trees and buildings. The office has a bright, airy feel with natural light coming in from the windows. A semi-transparent teal banner is overlaid across the top of the image, and two other semi-transparent teal banners are overlaid on the desk area, one on the left and one on the right.

WHAT IS?

MANAGERIAL ACCOUNTING

FINANCIAL ACCOUNTING

Managerial Accounting



Gather information that is relevant to the decision-making needs of management.

Financial Accounting

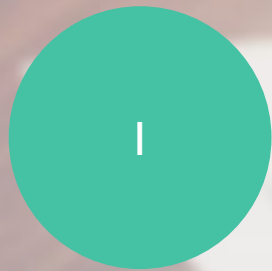


Concerned with reports for owners, creditors and government agencies.

Accounting Cycle

(1 of 3)

Analyzing and recording transactions in the journal.



Posting transactions to the ledger.



Preparing an unadjusted trial balance.



Accounting Cycle

(2 of 3)

Assembling and analyzing
adjustment data.

4

Preparing an optional end-
of-period spreadsheet.

5

Journalizing and posting
adjusting entries.

6

Accounting Cycle

(3 of 3)

Preparing and adjusted trial balance.

7

Preparing the financial statements.

8

What is Journal Entry?




Transactions are recorded through **Journal entries** that show account names, amounts, and whether those accounts are recorded in **Debit** or **Credit sides** of accounts.

Double-entry Accounting

It means that transactions are always recorded using two sides, debit and credit.

The sum of debit side amounts should equal to the sum of credit side amounts.

Double-entry Accounting



When the sum of debit side amounts equals to the sum of credit side amounts, the journal entry is called balanced.

Watch Out!

A company that is in financial trouble will still try to purchase goods and services on account.

You must be careful on granting credit to such companies, because trade creditors have low priority for cash payment in case the company declares bankruptcy.

What is an Accounting System?

(1 of 2)

An accounting system is the methods and procedures used for collecting, classifying, summarizing and reporting business's financial information.

It can be either manual or computerized.

What is an Accounting System?

(2 of 2)

If you understand a manual accounting system you are able to recognize the relationships between accounting data and accounting reports.

Moreover, **Computerized systems** are based on the same principles as **Manual**.

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