

### **Steps involved in Double entry system**

**(a) Preparation of Journal:** Journal is called the book of original entry. It records the effect of all transactions for the first time. Here the job of recording takes place.

**(b) Preparation of Ledger:** Ledger is the collection of all accounts used by a business. Here the grouping of accounts is performed. Journal is posted to ledger.

**(c) Trial Balance preparation:** Summarizing. It is a summary of ledger balances prepared in the form of a list.

**(d) Preparation of Final Account:** At the end of the accounting period to know the achievements of the organization and its financial state of affairs, the final accounts are prepared.