

CONTENTS

Page

| | |
|-------------------------------------------------------------------|-----------|
| Chapter One: Book-keeping and Accounting..... | 1 |
| 1.1 Introduction | 1 |
| 1.2 History of Book-keeping and Accounting in Nigeria | 3 |
| 1.3 The Need for Book-keeping and Accounting | 6 |
| 1.4 Summary | 7 |
| 1.5 Revision Questions | 8 |
| Chapter Two: Accounting Ethics | 10 |
| 2.1 Introduction | 10 |
| 2.2 Qualities of an Accountant | 10 |
| 2.3 Unethical Practices of an Accountant. | 12 |
| 2.4 How to Prevent the Unethical Practices of an Account .. | 12 |
| 2.5 Summary | 12 |
| 2.6 Revision Questions | 12 |
| Chapter Three: Principles of Double Entry | 13 |
| 3.1 Introduction | 13 |
| 3.2 Concept of the Rules of Double Entry | 13 |
| 3.3 Summary | 19 |
| 3.4 Revision Questions | 19 |
| Chapter Four: Accounting Concepts..... | 23 |
| 4.1 Introduction | 23 |
| 4.2 Basic Accounting Concepts | 23 |
| 4.3 Summary | 27 |
| 4.4 Revision Questions | 27 |
| Chapter Five: General Journal and Subsidiary Journal | 28 |
| 5.1 Introduction | 28 |
| 5.2 Terminologies. | 28 |
| 5.3 Uses of a General Journal | 29 |
| 5.4 Preparation of a General Journal | 30 |
| 5.5 Uses of Subsidiary Journals. | 38 |
| 5.6 Summary | 46 |
| 5.7 Revision Questions | 46 |
| Chapter Six: Analytical Cash Book | 51 |
| 6.1 Introduction | 51 |
| 6.2 Types of Discount. | 52 |
| 6.3 Terminologies. | 52 |
| 6.4 Single Column Cash Book. | 54 |
| 6.5 Two Column Cash Book. | 55 |
| 6.6 Posting to the Ledgers. | 58 |
| 6.7 Three Column Cash Book | 61 |

| | |
|------------------------------------------------------------------------|------------|
| 6.8 The Petty Cash Book with Imprest System | 64 |
| 6.9 Procedures for Petty Cash Book | 65 |
| 6.10 Summary | 69 |
| 6.11 Revision Questions | 70 |
| Chapter Seven: Bank Reconciliation Statement. | 77 |
| 7.1 Introduction | 77 |
| 7.2 Types of Bank Documents | 75 |
| 7.3 Terminologies Used in Bank Reconciliation | 78 |
| 7.4 Interpretations of Bank Statements | 80 |
| 7.5 Adjustment of Cash Books. | 82 |
| 7.6 Bank Reconciliation | 84 |
| 7.7 The Cash Book Before Reconciliation | 85 |
| 7.8 Summary | 88 |
| 7.9 Revision Questions | 90 |
| Chapter Eight: Classification of Accounts | 93 |
| 8.1 Introduction | 93 |
| 8.2 Personal Accounts | 93 |
| 8.3 Impersonal Accounts | 94 |
| 8.4 Nominal Accounts | 95 |
| 8.5 Sub-division of a Ledger | 96 |
| 8.6 Summary | 97 |
| 8.7 Revision Questions | 97 |
| Chapter Nine: Trial Balance and Correction of Errors | 98 |
| 9.1 Introduction | 98 |
| 9.2 The Need for Trial Balance | 98 |
| 9.3 Extraction of Trial Balance form the Ledger | 99 |
| 9.4 Correction of Errors | 100 |
| 9.5 Suspence Account | 105 |
| 9.6 Summary | 107 |
| 9.7 Revision Questions | 107 |
| Chapter Ten: Trading Account | 111 |
| 10.1 Introduction. | 111 |
| 10.2 Terminologies | 111 |
| 10.3 Preparation of a Trading Account | 113 |
| 10.4 Summary | 116 |
| 10.5 Revision Questions | 116 |
| Chapter Eleven: Profit and Loss Accounts: | 120 |
| 11.1 Introduction | 120 |
| 11.2 Identification of items of the Profit and Loss Account. . . | 121 |
| 11.3 Preparation of Profit and Loss Account | 121 |
| 11.4 Summary | 124 |
| 11.5 Revision Questions | 124 |
| Chapter Twelve: Adjustments in Profit and Loss Accounts | 128 |

| | |
|---------------------------------------------------------------------|------------|
| 12.1 Introduction | 128 |
| 12.2 Bad Debts and Provision for Doubtful Debts | 129 |
| 12.3 Posting of Entries Into Ledgers & Final Accounts | 130 |
| 12.4 Distinction between Prepayment and Accruals | 135 |
| 12.5 Summary | 139 |
| 12.6 Revision Questions | 139 |
| Chapter Thirteen: The Balance Sheet. | 141 |
| 13.1 Introduction | 141 |
| 13.2 Assets | 141 |
| 13.3 Liabilities | 142 |
| 13.4 Procedure for the Preparation of a Balance Sheet | 143 |
| 13.5 Summary | 146 |
| 13.6 Revision Questions | 146 |
| Chapter Fourteen: Control Accounts | 149 |
| 14.1 Introduction | 149 |
| 14.2 Meaning of Control Accounts | 149 |
| 14.3 Uses Control Accounts. | 150 |
| 14.4 Types of Control Accounts | 150 |
| 14.5 Preparation of Sales Ledger Control Accounts | 151 |
| 14.6 Preparation of the Purchases Ledger Control Accounts | 154 |
| 14.7 Contra Entries/Set Off | 156 |
| 14.8 Summary | 158 |
| 14.5 Revision Questions | 159 |