1. https://www.accountingcoach.com/blog/replenish-petty-cash

**Real estate:**

Real estate is the property consisting of land and buildings (hospitals, offices) on it along with air right above the land (crops, trees) and underground rights below the land (minerals, water).

The business of real estate; the profession of buying, selling or renting land, building or housing.

**Immovable property:**

“Immovable property” “shall include land, things attached to the earth, or permanently fastened to anything attached to the earth”.

According to the law, “Immovable Property” does not include standing timber, growing crops or grass. Thus, the term is defined in the Act by excluding certain things. “Buildings” constitute immovable property and machinery, if embedded in the building for the beneficial use thereof, must be deemed to be a part of the building and the land on which the building is situated.

**Movable property:**

Refers to personal property. Computer, jewelry, vehicles, furniture, pot pants, etc.

**Customer deposit:**

A customer deposit could be an amount paid by a customer to a company prior to the company providing it with goods or services. The company receiving the money has an obligation to provide the goods or services to the customer or to return the money.

**Equity:**

Organization’s net assets.

For example, the owner of a $200,000 house with a $75,000 mortgage loan is said to have equity of $125,000.

**Asset:**

Things that are resources owned by a company and which have future economic value that can be measured and can be expressed in dollars. Examples include cash, investments, accounts receivable, inventory, supplies, land, buildings, equipment, and vehicles.

Assets are reported on the balance sheet usually at cost or lower. Assets are also part of the accounting equation: Assets = Liabilities + Owner's (Stockholders') Equity.

Some valuable items that cannot be measured and expressed in dollars include the company's outstanding reputation, its customer base, the value of successful consumer brands, and its management team. As a result these items are not reported among the assets appearing on the balance sheet.

**Accounts receivable:**

Account receivable is asset subset where company has the right to collect from customers who received goods or services on credit (Udaro).

**Accounts payable:**

It is the subset of liability in which a company has to pay the amount it owes to supplier or vendors for goods or services that it received on credit.

**Account:**

To keep a company's financial data organized, accountants developed a system that sorts transactions into records called [accounts](https://www.accountingcoach.com/terms/A/account).

**Petty Cash:**

Petty cash is a small amount of money available for paying small expenses without writing a check. The amount of petty cash will vary by company and may be in the range of $30 to $300.

* e.g. Returning or Reimbursing an employee for purchasing $14 of bakery goods for an early morning meeting as he has bought by his own money.
* Money given to the mail carrier when by mistake company uses low value stamp in place for the stamp of higher price. About 10 rupees

**Retailer:**

A business or company that sells to the consumer directly. A **retailer** will buy goods from a manufacturer, distributor or wholesaler and sell them on to the customer at a marked-up price.

**Revenues:**

Revenues are the amounts that a business earns from selling goods or providing services to its customers. For example, a retailer's revenues will include its sales of merchandise, a law firm's revenues will include the fees it earns from providing legal services to its clients, and a bank's revenues will include the interest that it earns on the loans to borrowers.

**Liability:**

Money to be given by company. E.g. when it takes a loan from a bank, it has to return it. Liabilities are often viewed as claims against the company's assets. However, liabilities can also be viewed as sources of the company's assets as by taking loans the money for investment for the company has increased.

**Examples of a Liability**

* [accounts payable](https://www.accountingcoach.com/blog/what-is-an-account-payable)
* loans payable
* wages payable
* [interest payable](https://www.accountingcoach.com/blog/what-is-interest-payable)
* customer deposits
* [deferred revenues](https://www.accountingcoach.com/blog/deferred-revenue)

**Accounting Period:**

It is the period for which financial statements are prepared. An accounting period is a period of time such as the 12 months of January 1 through December 31, or the month of June, or the three months of July 1 through September 30.

While companies are required to prepare financial statements for each annual accounting period, most companies also prepare financial statements for each monthly accounting period.

**Interest payable:**

Money that has to be paid for borrowing the money.

e.g. To illustrate interest payable, let's assume that on December 1 a company borrowed $100,000 at an annual interest rate of 12%. The company agrees to pay the principal and 9 months of interest when the note comes due on August 31.

On December 31 the amount of interest payable is $1,000 ($100,000 X 12% X 1/12.

* Notes payable of $100,000
* Interest payable of $1,000

**Expense:**

An [expense](https://www.accountingcoach.com/blog/what-is-an-expense) is a cost used up in earning revenues in a company's main operations i.e. money spend by company for selling its product to earn profit.

An expense is a cost that has expired or was necessary in order to earn [revenues](https://www.accountingcoach.com/blog/what-are-revenues).

Some **examples** of expenses include advertising expense, commission expense (kasailai saman bechai diye bapat diyine paisa), rent expense (in Mechtrix company like Jagadamba steel, cement pays money to put stall here for the purpose of advertisement and more selling of product), salaries expense(like in ncell sim selling stalls are established along side of road) and so on.

Expenses also include costs used up during the [accounting period](https://www.accountingcoach.com/blog/what-is-an-accounting-period) such as [interest expense](https://www.accountingcoach.com/blog/what-is-interest-expense), [insurance expense](https://www.accountingcoach.com/blog/what-is-insurance-expense), and [depreciation expense](https://www.accountingcoach.com/blog/what-is-depreciation-expense).

**Marginal Cost:**

Marginal cost is the cost of the next unit or one additional unit of volume or output.

To illustrate marginal cost let's assume that the total cost of producing 10,000 units is $50,000. If you produce a total of 10,001 units the total cost is $50,002. That would mean the marginal cost—the cost of producing the next unit—was $2.

The reason that the marginal cost was $2 instead of the previous average cost of $5 ($50,000 divided by 10,000 units) is that some costs did not increase when the additional unit was produced. For example, [fixed costs](https://www.accountingcoach.com/blog/what-is-a-fixed-cost) such as salaries, [depreciation](https://www.accountingcoach.com/blog/what-is-depreciation), property taxes generally do not increase when one additional unit is produced.

**Incremental cost:**

An incremental cost is the difference in total costs as the result of a change in some activity. Incremental costs are also referred to as the differential costs and they may be the [relevant costs](https://www.accountingcoach.com/blog/relevant-costs) for certain short run decisions involving two alternatives.

Note: Incremental costs may include more than the change in variable costs.

## Example of Incremental Cost

Let's assume that a company has the following experience:

* Total cost of manufacturing 8,000 units of Product X is $320,000, or $40 per unit
* Total cost of manufacturing 10,000 units of Product X is $360,000, or $36 per unit

From the above information, we see that the incremental cost of manufacturing the additional 2,000 units (10,000 vs. 8,000) is $40,000 ($360,000 vs. $320,000). Therefore, for these 2,000 additional units, the incremental manufacturing cost per unit of product will be an average of $20 ($40,000 divided by 2,000 units). The reason for the relatively small incremental cost per unit is due to the cost behavior of certain costs. For example, when the 2,000 additional units are manufactured most [fixed costs](https://www.accountingcoach.com/blog/what-is-a-fixed-cost) will not change in total although a few fixed costs could increase.

### **What is a Bond**

[Bonds](https://www.accountingcoach.com/blog/what-is-a-bond) are a form of long-term debt in which the issuing corporation promises to pay the principal amount at a specified maturity date.

Bonds also promise to pay a fixed interest payment to the bondholders usually every six months until the bonds mature.

A bond is a [fixed income instrument](https://www.investopedia.com/terms/f/fixed-incomesecurity.asp) that represents a loan made by an investor to a borrower (typically corporate or governmental). A bond could be thought of as an I.O.U. between the [lender](https://www.investopedia.com/terms/l/lender.asp) and borrower that includes the details of the loan and its payments. A bond has an end date when the [principal](https://www.investopedia.com/terms/p/principal.asp) of the loan is due to be paid to the bond owner and usually includes the terms for [variable](https://www.investopedia.com/terms/v/variableinterestrate.asp) or [fixed interest](https://www.investopedia.com/terms/f/fixedinterestrate.asp) payments that will be made by the borrower. Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations. Owners of bonds are debtholders, or creditors, of the issuer.

**Stock:**

In [accounting](https://www.accountingcoach.com/blog/what-is-accounting) there are two common uses of the term stock. One meaning of stock refers to the goods on hand which is to be sold to customers. In that situation, stock means [inventory](https://www.accountingcoach.com/blog/what-is-inventory).

The term stock is also used to mean the ownership shares of a corporation. For example, an owner of a corporation will have a stock certificate which provides evidence of his or her ownership of a corporation's [common stock](https://www.accountingcoach.com/blog/what-is-common-stock) or [preferred stock](https://www.accountingcoach.com/blog/what-is-preferred-stock). The owner of the corporation's common or preferred stock is known as a stockholder.

### **Tangible Asset**

Tangible asset is an asset that has a physical form. Tangible assets include both fixed assets, such as machinery, buildings and land, and current assets, such as inventory.

[**Intangible asset**](https://www.investopedia.com/terms/i/intangibleasset.asp)**:**

Nonphysical assets, such as patents, trademarks, copyrights, goodwill and brand recognition, are all examples of intangible assets.

**Capital assets:**

It includes all kinds of property, movable or immovable, tangible or intangible, fixed or circulating.

Thus, land and building, plant and machinery, motorcar, furniture, [jewelry](https://en.wikipedia.org/wiki/Jewellery), route permits, [goodwill](https://en.wikipedia.org/wiki/Goodwill_(accounting)), tenancy rights, [patents](https://en.wikipedia.org/wiki/Patents), [trademarks](https://en.wikipedia.org/wiki/Trademarks), [shares](https://en.wikipedia.org/wiki/Shares), [debentures](https://en.wikipedia.org/wiki/Debentures), [securities](https://en.wikipedia.org/wiki/Securities), units, [mutual funds](https://en.wikipedia.org/wiki/Mutual_funds), [zero-coupon bonds](https://en.wikipedia.org/wiki/Zero-coupon_bond) etc. are capital assets.

**Capital gains:**

This is the profit obtained by the sale or exchange of capital assets and these are taxable in that sale or exchange fiscal year.

**Dividend:**

The profit shared by the company to the shareholder. Small companies rarely give dividend as they utilize the profit for growth and expansion.

**Common stocks and Preferred Stocks:**

Common stockholder has preemptive right which means when new stocks are available then then can buy at first before than general public.

The most prominent characteristics of common stock are that they entitle the shareholder to vote on corporate matters (typically, the shareholder gets one vote for every share he or she owns, though that is not always the case) such as whether the company should acquire another company, who the board members should be and other big decisions. Common stock also often comes with [preemptive rights](https://investinganswers.com/dictionary/p/preemptive-rights), which means the shareholder has a "[right of first refusal](https://investinganswers.com/dictionary/r/right-first-refusal)," or first dibs on buying any new [stock](https://investinganswers.com/dictionary/s/stock) the company tries to [issue](https://investinganswers.com/dictionary/i/issue-unpublish).  
Perhaps the most important attribute of common stock is that their holders are the last in line when it comes to getting their [money](https://investinganswers.com/dictionary/m/money) back. If the company goes bankrupt and has to sell off its assets, the [cash](https://investinganswers.com/dictionary/c/cash) from the [asset](https://investinganswers.com/dictionary/a/asset) [sale](https://investinganswers.com/dictionary/s/sale) first goes to [lenders](https://investinganswers.com/dictionary/l/lender), employees and lawyers. The shareholders get whatever is left (which is usually nothing, or just a few pennies for every dollar they originally invested).

Capital gains are only given to common stock not to preferred stocks. They do not have voting right as in common stock holder but they are more debt secured. Capital shareholder are given first priority during the distribution of dividend.

**Retained Earnings**

Generally, retained earnings is the cumulative amount of earnings since a corporation was formed minus the cumulative amount of [dividends](https://www.accountingcoach.com/blog/what-is-a-dividend) it has declared since it was formed. In other words, retained earnings is the corporation's past earnings that have not been distributed to the corporation's [stockholders](https://www.accountingcoach.com/blog/what-is-a-stockholder).

If a corporation's retained earnings becomes a negative amount (perhaps from years of losses), the balance sheet will use the term deficit or accumulated deficit instead of retained earnings.

**Incurred definition**. A word used by accountants to communicate that an expense has occurred and needs to be recognized on the income statement even though no payment was made.

**Kilowatt hour:**

One kilowatt-hour is defined as the energy consumed by power consumption of 1kW during 1 hour: 1 kWh = 1kW ⋅ 1h.

A measure of **electrical energy** equivalent to a power consumption of one thousand watts for one hour.

The kilowatt-hour is a composite **unit of energy** equal to one kilowatt (kW) of power sustained for one hour. Expressed in the standard **unit of energy** in the International System of Units (SI), **the joule (symbol J),** it is equal to 3600 kilojoules [(1000J/sec)\*3600sec=3.6 Mega Joule).

**Capital gain:**

If a person whose wants to work in next place so he sells the house. The profit earned from this capital gain as the job of the person is not selling the house i.e. real estate. Other example is: The woman don’t need a ring so she sold it and the gain obtained is capital nature because the women is not a jewelry seller. Means the gain obtained seldom that is not obtained on a regular basis is capital gain.

**Real income:** Real income means the actual income earned by person.

**Taxable income:** Income on which tax is payable.

**Income Tax:**

Income tax is the tax which is applied on taxable income earned by the person.

Classified into two types:

1. Direct tax: Tax which is paid directly to the government by an individual on an income. E.g. Salary, income from business, house property (land lord gain rent from tenant so income for land lord), capital gain (profit from selling capital asset), other sources.
2. Indirect tax:
3. Custom duty: Applied on those goods which are being imported and exported. The tax applied on these goods are recovered by the consumer.
4. Excise duty: Tax applied on those goods which are being manufactured. The burden of tax also falls on consumer.
5. VAT: Worldlink
6. Service tax: Tax applied on the services consumed by the customer.

**Social Security System**:

A **system** of federally funded services and payments to help support the needy, the aged, and the temporarily unemployed as well as providing support for needy, dependent, disabled, or neglected children, rehabilitation for the disabled, and a host of other **social** services.

**Medicare**:

**Medicare** is a national [health insurance](https://en.wikipedia.org/wiki/Health_insurance) program in the United States. It primarily provides health insurance for Americans [aged 65 and older](https://en.wikipedia.org/wiki/Old_age), but also for some younger people with [disability](https://en.wikipedia.org/wiki/Disability) status as determined by the Social Security Administration.

**Payroll taxes vs Income taxes:** <https://emptech.com/payroll-tax-income-tax-differences/>

Even though the terms payroll tax and income tax are used interchangeably, they are different.

Payroll tax takes a flat percentage of employee wages, with a portion paid by the employee and the portion paid by the employer. Social Security tax only applies to income up to a certain threshold that is regularly adjusted for inflation, while Medicare tax applies to all wages and salaries. The federal government levies payroll tax on wages and uses most of the revenue to fund [Social Security](https://www.ssa.gov/) and [Medicare](https://www.medicare.gov/). These taxes are withheld at a flat rate from employee pay, with a portion also paid by the employer.

On the other side, income tax is a more complex system. Income taxes refer to taxes paid based on how much money employees make from a variety of sources. Income taxes are generally paid on money that is earned at a job or from self-employment, as well as funds from other sources like bank interest, dividends paid by stocks or gains from the sale of assets. It is used for national defense, social programs and other federal government expenses.

When it comes to payroll tax, both the employer and employee share the tax amount equally between them. On the other side, the whole income tax amount is paid by an employee. Income tax is a progressive tax because as the salary of the employee increases, the income tax is also increased. Payroll tax is a regressive tax as high-income taxpayers pay as much as the low-income taxpayers

**Goodwill:**

Goodwill is an intangible asset that is associated with the purchase of one company by another. The value of a company’s brand name, solid customer base, good customer relations, good employee relations, and any [patents](https://www.investopedia.com/terms/p/patent.asp) or [proprietary](https://www.investopedia.com/terms/p/proprietarytechnology.asp) technology represent some examples of goodwill.

**Trademarks:**

A trademark is a type of intellectual property consisting of a recognizable sign, design, or expression which identifies products or services of a particular source from those of others, although trademarks used to identify services are usually called service marks. The trademark owner can be an individual, [business organization](https://en.wikipedia.org/wiki/Business_organizations), or any [legal entity](https://en.wikipedia.org/wiki/Juristic_person). A trademark may be located on a [package](https://en.wikipedia.org/wiki/Packaging_and_labeling), a [label](https://en.wikipedia.org/wiki/Label), a [voucher](https://en.wikipedia.org/wiki/Voucher), or on the product itself. The unauthorized usage of trademarks by producing and trading [counterfeit consumer goods](https://en.wikipedia.org/wiki/Counterfeit_consumer_goods) is known as [brand piracy](https://en.wikipedia.org/wiki/Brand_piracy).

**Debentures:**

In [corporate finance](https://en.wikipedia.org/wiki/Corporate_finance), a **debenture** is a medium- to long-term debt [instrument](https://en.wikipedia.org/wiki/Financial_instrument) used by large companies to borrow money, at a fixed rate of interest. The legal term "debenture" originally referred to a document that either creates a debt or acknowledges it, but in some countries the term is now used interchangeably with [**bond**](https://en.wikipedia.org/wiki/Bond_(finance)), **loan stock** or **note**. A debenture is thus like a certificate of loan or a loan bond evidencing the fact that the company is liable to pay a specified amount with interest.

**Bonds** are generally issued by the government, the agencies of government or by large corporations whereas **debentures** are issued by public companies (private) to raise money from the market. Whereas debentures give you high interest and are at high risk i.e. not secured by physical asset.