

ACCOUNTING

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ABSTRACT

Accounting is a dialect that is utilised to comprehend finance. It is made use of to bring about the monetary situation of a specific organisation or business. Bookkeeping can likewise help in interpreting the elements of the organisation in the method of some substantial reports.

Accounting: A Very Short Introduction provides a guide to understanding and using accounting information. It examines the key concepts and the main types of accounting work, from bookkeeping and financial reporting to auditing and management accounting. It traces the development of accounting over the centuries; examines the building blocks of financial reports, such as assets and liabilities; and looks at how accounting differs between countries and the importance of international standards.

The accounting equation (i.e., balance sheet or statement of financial position) is anchored in describing a business in two different but equivalent ways, by the things a business uses (assets, including cash) and by ownerships in those things, represented by liabilities (to nonowners) and equity shares (of owners). The basic equation (often referenced by left or right side in this chapter) is: $\text{Assets} = \text{Liabilities} + \text{New Assets}$.



INTRODUCTION

Accounting is a field that has evolved significantly over the years, from the traditional pen and paper ledger keeping to modern-day computerized accounting systems. The field of accounting is continuously evolving, and with the advancements in technology, the future of accounting looks to be even more exciting.

In recent times, accounting has become more than just recording financial transactions, but an integral part of business management. The accuracy and timeliness of financial information are crucial to the success of any business, and this is where accounting steps in to provide the necessary insights.

Today, the field of accounting involves much more than just recording transactions, with accountants serving as trusted advisors to businesses. They analyze data, make informed decisions, and help businesses chart their course for a profitable future.

With the advent of automation, machine learning, and artificial intelligence, accounting has become even more efficient and effective. These technologies enable accountants to work smarter, not harder, and provide their clients with more accurate and timely information. The future of accounting looks to be even more exciting, with the potential for new technology to revolutionize the field. As businesses continue to grow and evolve, the importance of accounting will only increase, making it an exciting and dynamic field to be a part of.

OBJECTIVES OF ACCOUNTING

1. To keep Records
2. To Analyze and determine financial results
3. To Analyse financial status of affairs
4. To make Decisions
5. To understand the Liquidity position
6. To Secure the better financial status in the market
7. To enhance Accountability of the firm
8. To support Legal Needs
9. To Detect and prevent frauds
10. To establish values and responsibilities

PRINCIPLES OF ACCOUNTING

Accrual principle

Conservatism principle

Consistency principle

Cost principle

Full disclosure principle

Going concern principle

Matching principle

TYPES OF ACCOUNTING

1 Financial Accounting

Financial accounting mainly tracks and reports transactions through financial statements.

2 Management Accounting

Managerial accounting is another type of accounting that helps evaluate a company's financial performance and make fruitful decisions.

3 Tax Accounting

Tax accounting helps to prepare and manage the tax returns and payments of businesses.

4 Cost Accounting

accounting is employed to find the net cost generated by a company after assessing all its assets and liabilities.

5 Forensic Accounting

Forensic accounting is among the types of accounting that deals with the legalities to deal with situations such as Cost divorce, gambling, money laundering, etc.

6 Government accounting

Government accounting helps the federal government to record, analyze, and interpret government financial transactions.

7 Auditing Auditing is a financial check-up where an auditor investigates and analyzes the finances of a business.

BENEFITS OF ACCOUNTING

1. You'll Be Able to Manage Your Own Finances More Effectively
2. You'll Gain an Understanding of Current Events
3. You'll Be Able to Make More Meaningful Contributions at Work
4. You'll Be Primed for Entrepreneurial Success
5. You'll Have Career Advancement Opportunities
6. You'll Improve Your Decision-Making Capabilities

CONCLUSION

In conclusion, it's clear that the accounting industry is undergoing a major transformation, thanks to the advancements in technology and the changing needs of businesses. In the coming years, we can expect to see a continued shift towards automation, with the use of artificial intelligence, machine learning and robotics being increasingly adopted in accounting processes.

The emergence of cloud-based accounting software has already revolutionized the industry, and we can expect this trend to grow in popularity. This will enable businesses to have real-time access to their financial data, which will help them to make more informed decisions and improve their overall financial health.

Another trend that we can expect to see is the increased focus on data analytics. With the growing amount of data being generated by businesses, accountants will have to become proficient in analyzing and interpreting this data to provide valuable insights to their clients.

Finally, there will be an increased emphasis on the role of accountants as trusted advisors. As technology takes over many of the routine accounting tasks, accountants will have to focus more on providing strategic advice to their clients and helping them to make informed decisions.

In summary, the future of accounting is exciting, and it's clear that the profession will continue to evolve and adapt to the changing needs of businesses. By embracing these trends and staying ahead of the curve, accountants will be well-positioned to thrive in the years to come.

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