

Financial University under the Government of the Russian
Federation

BOOKKEEPING

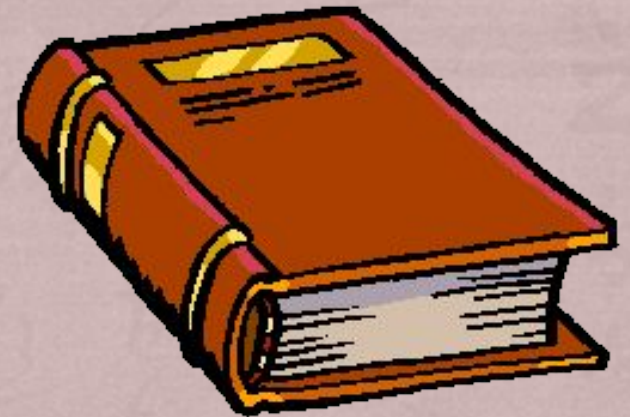
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PLAN

1. *Introduction*
2. *Methods of bookkeeping*
3. *Double-entry bookkeeping*
4. *Day books and ledgers*
5. *Balancing the books*
6. *Conclusion*



INTRODUCTION

+ ***Bookkeeping*** is the recording of financial transactions

Transactions include:

+ *Purchases;*

+ *Sales;*

+ *Receipts;*

+ *Payments by an individual person or an organization/corporation.*



METHODS OF BOOKKEEPING

1. Single entry system

only income and expense accounts

2. Double-entry system

*requires posting (recording) each transaction twice,
using debits and credits*



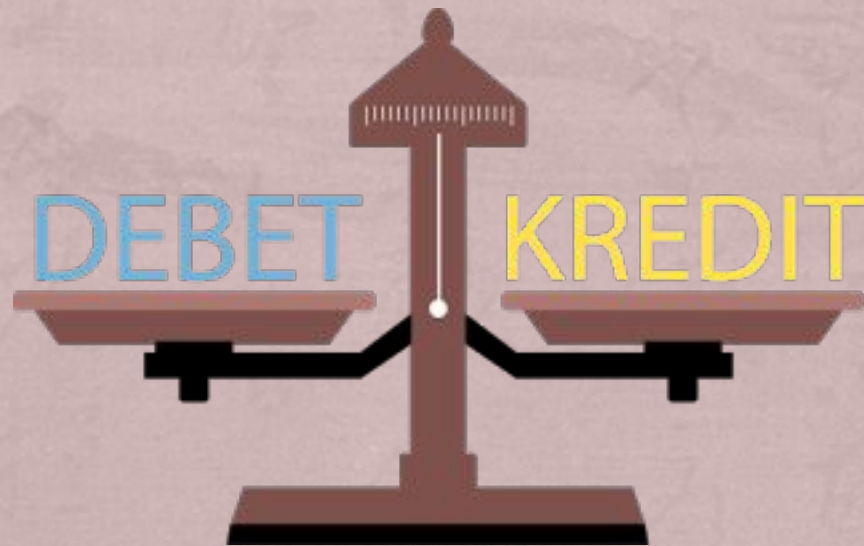
BOOKKEEPER

+ is a person who records the day-to-day financial transactions of a business



DOUBLE-ENTRY BOOKKEEPING

is an accounting system that balances all general ledger debits with general ledger credits



Luca Pacioli invented the double-entry bookkeeping

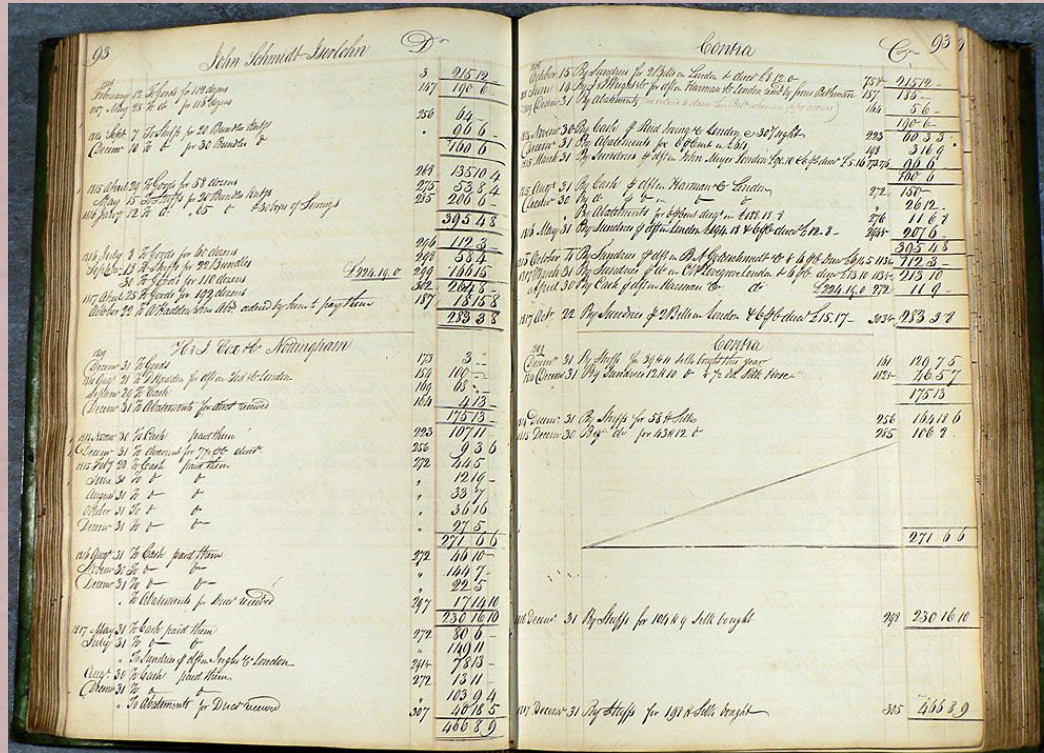


DOUBLE-ENTRY BOOKKEEPING SYSTEM



This system also allows for accountants to easily detect errors since out-of-balance accounts on the general ledger will quickly be reflected on financial statements

double-entry bookkeeping distorts the company's cash account in the general ledger account



because transactions are recorded as they occur rather than when cash actually paid

A statement of cash flows

This statement provides the company with a clearer picture of their current positive or negative cash flows.

