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**NAME: Muhammad Azam Khan**

**Subject: Introduction to Financial Accounting**

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**INTERNAL EVALUATION ASSIGNMENT:**

**Summarize hand written the course that is covered in final term exams.**

**Before 30th September**

**ACCOUNTING PRINCIPLES:**

**Overview:**

An organization that deals with money or something equals to that’s money worth needs to be record every transaction that gets encounters with.

The course provides a complete guidelines and an understanding, about the concepts relating to the above phenomenon from scratch to preparation and analysis of financial statements. The course is includes practice question in regard to financial statement in accordance with the “learn by doing” approach.

The course provides a distinction between operating and trade debt related to operating and financial activities. The course throws light on debt insurance effects on financial statements and ratios. It gives us an insight into various disclosures related to financial liabilities. It also elaborates the effects of changing interest’s rates. It also elaborates the concept of debt convents.

The course includes introduction to financial accounting principles, which also include accounting cycle, analysis and recording of transaction, and reporting financial information in accordance with the general accepted principles of financial accounting. At the end of this course one will be able to use debit and credit accounting to record.

The course includes information about capital assets with models to be discussed. No matter what how much you diversify your investments, some level of risk will always exists, so investors always tries to seek the rate of return that compensate for the risk in the first place. The capital pricing models helps in to understand and calculate the risk associated with it also the return on investment and what investor should expect.

The course discusses in detail about partnership in accounting and its good practices to set out of terms agreed by partners in a partnership agreement. It is not mandatory it can also reduce the possibility of expensive and acrimonious disputes in future.

The course also highlights stock exchange which is a market place where stocks and bonds are bought and sold. Bond are typically traded over the counter, but some corporate bonds can be traded on stock market, Stock exchanges allow to raise capital and investors to take inform decisions using real time price information. Though people are familiar with this concept trading floor, many exchanges now use electronic tracking.

A statement of cash flow is a financial statement showing how changes in balance sheet accounts and income affect cash and cash equivalents. Indicate the purpose of statement of cash flows and what items affect the balance reported on the statement.

Cash flow statement is a financial statement that shows, how changes in balance sheet accounts and income affects cash and cash equivalents and breaks the analysis down to operating, investing and financial activities.

The cash flow statements is intended to provide information on firms liquidity and solvency, improve the compatibility of different firms operating performance, and indicate the amounts, timing and probability of future cash flows.

In financial statements we learnt about, categorization of ratios, types of ratios including liquidity ratio, solvency ratio, structure ratio and also the significance of ratio. The main task of an analyst is to perform an extensive analysis of financial statements. In this course we learnt about how much revenue does it have, is it profitable, and what are the margins.