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SUBJECT **Accounting**

SUBMITTED TO  **Sir Qaid**

**Accounting:-**

Accounting is Some kind of information that will help you take decisions so that you can take your objects. Accounting is a mean to an End.

**Information > Means > communicate > collect > Record it >classify > summarise > interpret**

**And at the end the interpretation will take you to decision makers.**

**Financial accounting definition**

Financial accounting provides you information about economics resources claims to these resources and operation of an enterprise.

After the we have studied accounting equation :-

**Formula;**

Assets = Liabilities+Equity

1. Increase or decrease both side with same amount .
2. Increase and decrease any one side with same amount.
3. Increase and decrease any one side by increasing or decreasing the other side with different amounts .

After That we have studied the accounting cycle

1. **Identify and Analyse Transactions**
2. **Record transactions to journal**
3. **Post journal information to ledger**
4. **Prepare unadjusted trial balance**
5. **Adjusting entries**
6. **Prepare adjusted trial balance**
7. **Prepare financial statements**
8. **Closing entries**
9. **Prepare post closing trial balance**
10. **Reversing entries (optional)**

All of the above are the steps of the accounting cycle which we have studied and practiced in the class.

After that we have studied the balance sheet

And some introductions of balance sheet which I will share as below with you the introduction of balance sheet ,Assets ,classification of Assets in the balance sheet and importance of the balance sheet.

***Introduction to Balance Sheet***

Did you know? You can earn our Balance Sheet Certificate of Achievement when you join PRO Plus. To help you master this topic and earn your certificate, you will also receive lifetime access to our premium financial statements materials. These include our video seminar, visual tutorial, flashcards, cheat sheet, quick tests, quick test with coaching, business forms, and more.

The accounting balance sheet is one of the five major financial statements used by accountants and business owners. (The other major financial statements are the income statement, statement of comprehensive income, statement of cash flows, and statement of stockholders' equity) The balance sheet is also referred to as the statement of financial position.

**Assets**

Assets are things that the company owns. They are the resources of the company that have been acquired through transactions, and have future economic value that can be measured and expressed in dollars. Assets also include costs paid in advance that have not yet expired, such as prepaid advertising, prepaid insurance, prepaid legal fees, and prepaid rent. (For a discussion of prepaid expenses go to Explanation of Adjusting Entries)

Examples of asset accounts that are reported on a company's balance sheet include:

**Cash**

**Petty Cash**

**Temporary Investments**

**Accounts Receivable**

**Inventory**

**Supplies**

**Prepaid Insurance**

**Land**

**Land Improvements**

**Buildings**

**Equipment**

**Goodwill**

**Classifications Of Assets On The Balance Sheet**

Accountants usually prepare classified balance sheets. "Classified" means that the balance sheet accounts are presented in distinct groupings, categories, or classifications. The asset classifications and their order of appearance on the balance sheet are:

**Current Assets**

**Investments**

**Property, Plant, and Equipment**

**Intangible Assets**

**Other Assets**

**Importance of the balance sheet**

The balance sheet is a very important financial statement for many reasons. It can be looked at on its own, and in conjunction with other statements like the income statement and cash flow statement to get a full picture of a company’s health.

Liquidity – Comparing a company’s current assets to its current liabilities provides a picture of liquidity. Current assets should be greater than current liabilities so the company can cover its short-term obligations. The Current Ratio and Quick Ratio are examples of liquidity financial metrics.

Leverage – Looking at how a company is financed indicates how much leverage it has, which in turn indicates how much financial risk the company is taking. Comparing debt to equity and debt to total capital are common ways of assessing leverage on the balance sheet.

**I would like to share some knowledge about the financial statement witch the teacher respected taught us .**

The first statement which is made with us is

1. Income statement
2. Owner equity
3. Balance sheet
4. Statement of cash flow

These all are inter related with each other and the inter related can also be called articulation

We have also studied (GAAP) rule ( Generally accepted accounting principles)

It have two time period principle

1. Calendar period
2. Fiscal period

We have also studied some inventory reporting system

1. Perpetual inventory system ( perpetual means step by step )
2. Periodic inventory system

Beside these we have also practiced on exercise of journal , ledger , trial balance ,adjustment entries

And have practised them in the class .

Through which we did an assignment of running a small business as well .

That's all we have studied about accounting in our class .