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**Subject :- Principles of Accounting**

**Section :- A**

**Semester :- 2nd semester**

**Assignment :- Online Grand Assignment**

**Instructor :- Sir Quaid Iqbal**

In the beginning of the accounting book we have studied the basic information / about accounting …….

Chapter 1 :- was Accounting: Information for decision making .

* Accounting is introduced as a system of information for decision making.
* Both financial and management accounting are introduced in parallel fashion by discussing (1) user of information. (2) their objectives with regard to information (3) the integrity of information and (4) specific characteristics of the information.

Chapter 2 :- was Basic Financial statements.

* Using the sole proprietorship form of business organization. This chapter introduces the accounting equation and how a company’s financial statement changes as a result of a series of simple transactions.
* The chapter ends with an illustration of a simple balance sheet, income statement and statement pf cash flows and a discussion of how these statements articulate.

Chapter 3 :- was the accounting Cycle: Capturing Economics Events

* This chapter builds on comprehensive illustrations introduced in chapter 2
* Students are introduced to the complete accounting cycle, from analyzing economic events to preparing of financial statements (including a Simple statement of Cash flow).
* Adjusting Entries, while introduce are limited to supplies and depreciation.

Chapter 4 :- Was The Accounting cycle: Preparing an annual report .

* This chapter bulids on material covered in chapter 3. howeever , it includes thorough coverage of the adjusting process.
* The comprehensive illustrations introduced in chapter 2 and chapter 3 is used in chapter 4 to demonstrate how accruals and deferrals result from timing differences between cash flow and income statements transactions.

Chapter 6 :- was forms of business organizations.

* This chapter serves as a transaction from sole proprietorship to corporations, and all subsequent chapters take a corporate approach.
* Proprietorship, partnership and corporations are compared and contrasted and differences in the components of equity among the various forms of business organizations are illustrated.

Chapter 9 :- was Plant Assets and depreciations.

* This chapter focuses on accounting issues to tangible and intangible long –term fixed assets (including the disposal of plant assets and valuation issues pertaining to certain intangible assets)
* The widespread use of straight-line depreciation is emphasized.
* The use of MACRS for income tax purposes is discussed.

Above was the summary of what we have studied in subject of Principles of accounting in the 2nd semester of BBA program.

Moreover, we also studied two different problems and find its solution

* 1st one was Tony’s Rentals. Which was a comprehensive accounting cycle Problem
* The 2nd problem was about Guitars universe Inc.

In the last few Slides we studied about Adjusting Entries.

The need for adjusting Entries.

* Some transactions effect the revenue or expenses of more than one period .
* Therefore adjusting entries are needed at the end of each periods.
* The purpose of these entries is to assign to each period the appropriate amount of revenue and expenses.

Types of Adjusting Entries.

* Most adjusting entries fall into one of four catagories.
* Entries to apportion recorded costs .
* Entries to apportion un-earned revenue.
* Entreis to record un-recorded expenses.
* Entries to record un-recorded revenue.