



## **[Summary]**

### **Accounting Process**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A. (Hons.), 1st Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 103 Fundamentals of Business And Accounting
<b>Unit No. &amp; Title:</b>	Unit – 2 Fundamentals of Business And Accounting
<b>Lecture No. &amp; Title:</b>	Lecture – 2 Accounting Process

## **Summary**

Every Debit has an equal Credit. The Debit and Credit effect is governed with the rules of accounting, which are divided into personal a/c, real a/c and nominal a/c. Each account to be recorded is to be identified based on the rules of accounting. The accounting process starts with recording of Journal entries known as book of primary entry, then each account is classified in ledger accounts and a trial balance is prepared, which helps in preparation of Financial Statements. i.e. Profit and loss account and Balance sheet. Personal and Real accounts will appear in the balance sheet and nominal accounts will appear in the Profit and loss Account.