

Chapter 1 : Books by Horngren

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First effect- shown on the credit side of trading account as a separate item. Second effect- shown on the assets side of balance sheet as a current asset. If closing stock also appears in trial balance, then it would be shown only on the assets side of balance sheet and not on the trading account. No adjusting entry is required to be passed. Second effect- Shown on the assets side of balance sheet as a current asset. If prepaid expenses also appear in trial balance, then they would be shown only on the assets side of balance sheet and not on the trading account or profit and loss account. Adjustment of outstanding expenses: Second effect- shown on the liabilities side of balance sheet as a current liability. If outstanding expenses also appear in trial balance, then they would be shown only on the liabilities side of balance sheet and not on the trading account or profit and loss account. If unaccrued income also appears in trial balance, then it would be shown only on the liabilities side of balance sheet and not on the profit and loss account. Adjustment of accrued income: If accrued income also appears in trial balance, then it would be shown only on the assets side of balance sheet and not on the profit and loss account. Adjustment of bad debts: Second effect- shown on the assets side of balance sheet by way of deduction from the debtors. If bad debts also appear in trial balance, then they would be shown only on the debit side of profit and loss account as additional bad debts and added to the existing bad debts in trial balance. They would not be shown on the balance sheet. Adjustment of provision for doubtful debts: Second effect- shown on the assets side of balance sheet by way of deduction from the debtors after the deduction of bad debts, if any. Adjustment of provision for discount on debtors: Second effect- shown on the assets side of balance sheet by way of deduction from the debtors after the deduction of bad debts and provision for doubtful debts, if any. Adjustment of reserve for discount on creditors: Second item- shown on the liabilities side of balance sheet by way of deduction from the creditors. Adjustment of abnormal loss of stock caused by fire, theft, spoilage, etc: Second effect- if any amount is due from the insurance company, it is shown on the assets side of balance sheet as a current asset. Adjustment of goods in transit:

Chapter 2 : Accounting Software for a Sole Proprietor | Your Business

More editions of Principles Mgmt Accounting Sole Prop App: used books, rare books and out of print books from over , booksellers and 60+ websites worldwide.

As a sole proprietorship, you must choose between using the cash method or the accrual method of accounting. The correct method for your business depends on whether you are providing services or merchandise to your clients. Sole Proprietorship The sole proprietorship is a common business format in America because of its simplicity. It is the quickest and least expensive business structure to establish. A sole proprietorship can only have one owner. All earnings and losses of the business flow directly to the owner, and the business is not taxed as a separate entity. There are no accounting method restrictions for these businesses. You may use either the cash or accrual method, depending on the type of business you run. Revenue Recognition Your business must use an accounting method to satisfy the revenue recognition criteria of accounting. Income taxes are due on revenue once it is considered earned by your accounting system. The cash and accrual methods recognize revenues and expenses at different points in a transaction. The method you use for your business will determine how and when you must recognize revenue for taxes. Cash Method The cash method of accounting is used for businesses that provide services. If your business uses the cash method, you recognize revenue when payment is received for a service, not when the service is performed. Expenses are recognized when they are paid, regardless of when your company incurred the liability. This method should not be used if your company sells merchandise. Accrual Method The accrual method should be used if your business sells merchandise and holds an inventory of goods for sale. Using this method, your company would recognize revenue when the transaction of selling a good is complete and the client has received the merchandise. You recognize this revenue when your part of the transaction is complete, even if payment has not yet been received by the client. Expenses are recognized when the liability is incurred, regardless of when you actually pay the expense.

Chapter 3 : My Accounting Course | Learn Accounting and Finance Online for Free!

Introduction to Managerial Accounting Rutgers University Horngren 15th Edition " Principles Mgmt Accounting Sole Prop App ".

GO Introduction to Accounting Accounting is a profession used to make financial and business decisions. Billions of dollars exchange hands every day, in millions of separate business transactions. The bookkeeping methods involved in making a financial record of business transactions and in the preparation of statements concerning the assets, liabilities, and operating results of a business. A group of interacting, interrelated, or interdependent elements forming a complex whole. The people, procedures, and resources used to gather, record, classify, summarize and report the financial information of a business, government or other financial entity. The practice of recording a business transaction in two equal parts, called debit and credit entries. Debit refers to the left column and credit refers to the right column, in an accounting journal. Each transaction describes both: Money eventually changes hands in almost all transactions, either at the time of the transaction, or perhaps at a future date in the case of items purchased on credit. Adjusting and closing entries are an exception and not typical, and represent special entries made by accountants to prepare financial statements, and reset certain accounts at the end of a fiscal year. Sometimes a transaction involves cash directly, at the time of the event, such as a cash sale at a grocery store. It is more common, and safer, to use a checking account for routine purchases. These are all considered part of the Cash account. Account of Disbursements of the Athenian State c. Businesses usually purchase their supplies and merchandise on a day account, known as a trade account, or Accounts Payable. Sales are typically made in a similar fashion, called Accounts Receivable. A Brief History of Accounting Accounting was born before writing or numbers existed, some 10, years ago, in the area known as Mesopotamia, later Persia, and today the countries of Iran and Iraq. This area contains the Tigris Euphrates river valley, a large fertile area 10, years ago with a large thriving population and active trading between towns and cities up and down the two rivers. Writing and numbers would be not be invented for about another 5, years. And what happens next will directly lead to the invention of both writing and number systems. At that time, merchants faced many of the same problems businesses face today. They had to ship their merchandise up and down the rivers, and that meant trusting a boatman with their goods. Unfortunately, not all boatmen were honest, and disagreements often arose about how much was shipped versus what was received at the other end. It is hard for us today to imagine a world without writing and numbers. Try to imagine yourself in their position To deal with the problem, merchants came up with an ingenious plan. They made small clay tokens, in various shapes and with various markings, to indicate different products. One would mean a basket of grain, another would mean a pot of oil, etc. They had over such tokens to indicate a large variety of common goods, including food, leather, clothing, utensils, tools, jewelry, etc. Bollae and tokens c. The ball would be dried in the sun, given to the boatman, and then broken by the buyer on the other end of the transaction. The buyer would match the tokens with the items in the shipment, to verify that everything sent was accounted for. This is the function of protection of assets, and is a major function of all modern accounting systems. It was important 10, years ago and is just as important now. Today we see merchants doing the same thing as their counterparts 10 millennia ago - today they get a bill of lading - a listing of the merchandise entrusted to a shipper. The system of using bollae continued for almost 5, years, all before the invention of writing or numbers. One day, probably by accident, a wet clay bollae was rolled over a loose token, laying on the ground. The impression of the token was left in the wet clay. Merchants began pressing the tokens on the outside of the bollae, in addition to putting the tokens inside the ball. Eventually they would press tokens into a flat piece of clay, leaving an impression for each item. And writing was born New symbols were soon created representing multiple items, and suddenly both writing and number systems were invented. The last phase of this remarkable process took about years, but once writing was invented, it caught on like wildfire, and was the most popular thing anyone had ever seen. People were so much in love with writing they did it every chance they could. We have a huge amount of archaeological evidence to support this notion. Thousands of small clay tablets still survive today. He would hire a scribe to

write the tablet only a few people could read or write, and hire a child to carry the note to his boss. They sent notes like we use the phone today, and they loved it. They wrote for the sheer joy of it - the ability to communicate at a distance. Written accounting records are some of the oldest writings that have survived until today, and they date back to circa BC. These early records were simple single-entry listings of wages paid, temple assets, taxes and tributes to the king or Pharaoh. This simple system was used until the mids, and a period known as the Renaissance. Picture in the Tomb of Chnemhotep, pharaoh of Egypt c. The accompanying text reads "Minute care is not only taken in the case of large amounts, but even the smallest quantities of corn or dates are conscientiously entered. They also counted rice, beer, and everything else. Ancient Egyptians were paid in "kind" - they had not invented money yet so workers were paid with food, beer, clothing, etc. Everyone drank beer back then, because it was more sanitary than the water. The alcohol content was very low, because they used a short brewing process. It is interesting to note that the Mediterranean and European nations had no concept of the number zero until the middle ages. They learned the concept of zero from Middle Eastern mathematicians, who also knew about the movements of the stars and planets, and had figured out the earth was round, and revolved around the sun in an orbit, etc. It took the Europeans another years to figure that out, largely because those concepts were contrary to views held by the Roman Catholic church at the time. Late s Luca Pacioli documents double entry accounting Luca Pacioli: Father of Modern Accounting By the time Christopher Columbus was trying to sail west, a new form of accounting was in use by merchants in Venice. Luca Pacioli pot-chee-O-lee set down in writing for the first time a description of the double-entry system of accounting, which we still use today in much the same form. Written as a digest and guide to existing mathematical knowledge, bookkeeping was only one of five topics covered. Geijsbeek, Ancient Double Entry Bookkeeping: Luca Pacioli was a remarkable man. He was one of the best mathematicians of his time, and was a close friend of Leonardo DaVinci. They collaborated on many projects. History is full of instances of collaboration between these two great thinkers and Renaissance men. Modern accounting follows the same principles set down by Luca Pacioli over years ago. However, today it is a highly organized profession, with a complex set of rules for the fair disclosure and presentation of information in financial statements. Every day trillions of dollars in transactions are recorded by business, government and financial institutions world-wide. They all follow the same general set of rules. We use the US Dollar for all financial statements and transactions. Other countries use similar accounting rules as the US, but there are differences from country to country. There is a great deal of similarity in accounting practices around the world because they all have a common origin. Most professional accountants do little or no bookkeeping. Accountants are involved in the preparation of financial statements, and the interpretation of financial information, rather than day-to-day recording of routine transactions. This work includes making sure the financial statements comply with GAAP, provide adequate disclosure of essential financial information, and are free from material errors and misstatements. Forms of Business Organizations Partnership: Corporations and LLCs both provide a layer of legal protection for the owners. Sole Proprietors and General Partners are exposed to unlimited legal liability. This is why most business are organized as corporations. The LLC form has been available in all US states since and has become a very popular business form particularly for small businesses. The number of LLCs is growing rapidly, but the predominant business form is still the corporation. The Balance Sheet presentation and accounts used will vary depending on the way the company is organized. Corporations have accounts for stock and retained earnings. LLCs may be organized like a corporation or partnership, and will use the appropriate set of accounts depending on how the company is set up. Quick Quiz State the four most common forms of business enterprises and briefly describe them. Sign up for free to access more History resources like. Wyzant Resources features blogs, videos, lessons, and more about History and over other subjects. Stop struggling and start learning today with thousands of free resources!

Chapter 4 : Accounting Software for a Sole Proprietor | www.nxgvision.com

As a sole proprietor, you must find time-efficient and cost-effective ways to perform accounting functions on your own. It may not be viable to hire a bookkeeper, or you may prefer to record.

Small Business Guides 6 min read Sole proprietors are independent business people with drive and ambition. Software that helps you work smarter More people are going out on their own, with sole proprietors representing up to a third of the workforce in some countries. Most sole proprietors are upbeat about the future - with three quarters saying their best work years are ahead of them. Technology drives a lot of this optimism and growth. Online tools allow people to work from anywhere, and manage their business without being tied to an office. The pros and cons of being a sole proprietor There are two sides to being a sole proprietor. On the plus side: You have no one to answer to but yourself. You have the freedom to work from anywhere at any time. But there are disadvantages too: You may have to work at inconvenient times. For some professions, deadlines can be tight. You have to wear many hats. The success of your business depends on you alone. It can be a lonely way of working. So there are sacrifices to be made. But most people feel they are worth making. Lightening the load by moving online One reason why sole proprietors are optimistic is because technology has made it easier than ever to do business. Online or cloud-based software has streamlined processes and sped up the exchange of information. For example, you may already be using: Choose the right tool for the job It might be tempting to use a spreadsheet for your accounting data. Accounting software helps you see your cash flow in real-time. Reports and graphs give you clear information and a sense of the big picture. Spreadsheets can be riddled with mistakes It might be easy to start with a simple spreadsheet doing manual data entry and simple sums. But if you want your business to run efficiently, manual copy and paste techniques are no way to thrive and grow. It will help you with tasks like payroll and direct payments. No spreadsheet can do all of that. But anyone can change a spreadsheet, leaving no record of what was done or who did it. This leaves your business open to fraud. So get this right the first time – and avoid problems later. The benefits of online accounting software If you use online accounting software for your business, there are many advantages. Here are some of the main ones: Access from any device Log in to your accounting software from your laptop, smartphone or tablet. So you need to be able to work from wherever you are. With the best online software, that stress is taken away. Updates are carried out by the software company while you sleep – and your data is backed up automatically. Airtight security Your accounts are confidential. With online accounting software nobody will have access to them unless you hand over your password. Some software will allow you to give people a remote login – and you can control the level of access. This will mean you have a small cost every month, instead of a lump sum up front. For businesses just starting out, this is a real cost saving. Find the right software for you: Here are three simple steps to help you. So talk to other people in your situation. Network with other sole proprietors, online and in the real world. Ask your bookkeeper or accountant for suggestions too. So try to find software that will grow with your business. For example, you may not need full payroll features today. But next year, who knows? Try before you buy Companies that believe in their products are often willing to offer a free trial. See if you can sign up to online accounting software for free. Test it, get used to it and see if it will work for you. With the right software, this can be easy – and even fun. Think of it as a way to fine-tune the way you work.

Chapter 5 : HORNGREN: used books, rare books and new books @ www.nxgvision.com

The following is a list of the ten main accounting principles and guidelines together with a highly condensed explanation of each. 1. Economic Entity Assumption. The accountant keeps all of the business transactions of a sole proprietorship separate from the business owner's personal transactions.

Here are our top performers that will do what you need without costing you a fortune. The online services we review here stand ready to meet the needs of a large swath of the workforce—the very smallest of businesses. Three of the services could be used by companies employing 10 or more people, but most of the products are aimed squarely at freelancers, independent contractors, and sole proprietors. Think Uber and Lyft drivers, Etsy and eBay sellers, or entrepreneurs who have created a product or service and want to build a small company around it. These businesses generally have one thing in common: These services offer far more than tracking the bottom line. Beyond the Balance Sheet The needs of freelancers, contractors, and sole proprietors vary as widely as the types of businesses they represent. Some want a simple way to track income and expenses. Others need the ability to send invoices and receive and record payments. Some need an integrated payroll site others are one-person shops. Companies that sell services might want a dedicated time-tracking tool. And what about taxes? What follows are some of the factors you might want to consider as you choose an accounting service for yourself or your business. As transactions appear in your online accounts, you can download them to your accounting service and track your income, expenses, and balances in close to real time, all from one convenient dashboard. Having this detailed picture of your complete financial picture affords small businesses the nimbleness so critical to their survival. Make sure that whatever banks and other institutions you need to connect to are serviced by any potential accounting site. Some will even offer to generate and send invoices via U. You can sometimes also see when a customer has viewed an invoice, automatically send them reminders, and assess late fees. Merchant Accounts One of the best ways to improve your cash flow is to accept debit and credit cards, so that customers can pay instantly and conveniently—though extra processing fees apply. Most applications let you choose from among multiple payment gateways. Except for Less Accounting, all the services in this roundup offer some sort of mobile access. Several of them offer more than one mobile app, and some offer some interesting bonus features—see the Mileage Tracking section below for one example. Time Tracking If you bill for time, a lot of that work may occur out of the office. Instead of scribbling notes or simply trying to remember, you can create time entries on your smartphone wherever you are. Quarterly Estimated Income Taxes This is one of the most difficult tasks for sole proprietors and independent contractors. Keeping track of this as you go makes paying your taxes so much less painful. Security Like their higher-end counterparts, these freelancer and contractor targeted services all use bank-grade security. Even the smallest of businesses need to keep themselves and their customers safe. Capable as they are at meeting the needs of freelancers and other small businesses, these applications may not suit you if your company is larger or more complex. They include advanced features like support for multiple currencies, document management, customer and vendor portals, purchase orders, inventory tracking, enhanced customization options, and more sophisticated reporting. Its new user interface and navigation tools make for an exceptional user experience—better, I think, than that of the competition. Good team collaboration tools, estimates, a notification feature, and support for multiple businesses are some of its new functions. The mobile version is already great. Beyond tracking income and expenses capably, it offers flexible invoicing tools that include automated reminders, progress updates, and recurring transactions. Its user interface and navigation tools are exceptional. It also has a good companion mobile version, and it helps you estimate your quarterly taxes based on your income and expenses. Its introductory price makes it a bargain in this group, but it lacks features that some competitors have, such as recurring transactions, time and project tracking, and direct integration with e-commerce sites. It complies with double-entry accounting rules and is suitable for a business with 1 to 10 employees. Besides its significant user interface revamp which makes it much easier to get around, Kashoo has launched its own payment processor and offers new tax functions. Rather than including a lot of report templates, the site makes use of existing screen space to

provide context-sensitive information as you go along. It has multicurrency functionality, does project cost-tracking, and integrates with two payroll companies, Paychex and SurePayroll. Also, you can now auto-categorize expenses. It supports multiple currencies and can be integrated with SurePayroll. It helps you create and track invoices and expenses, and includes standard report templates for businesses that need those features in double-entry accounting applications. The user experience, too, feels dated. The site might have gotten a higher score if not for its fairly high price. Wave is a free service, though there are charges for payment processing and payroll if you use those features. The site no longer displays ads; revenues come from embedded financial services like credit card processing. You can create thorough customer, vendor, product, and service records. It also produces numerous types of transaction forms, including estimates, invoices, statements, bills, and receipts. Wave lacks dedicated time and project tracking, and it has one mobile app for invoices and another for receipts. The new version looks very promising, and its user experience, interface, navigation tools, and usability represent the cutting edge in small business accounting websites. But improved interface or not, it still has a way to go before it can supplant its own previous version. But what about new small businesses that have just gotten big enough to abandon spreadsheets and shoeboxes? Given my long perspective on the topic I was fairly surprised. Wave was a 2-star site when I first reviewed it years ago. Since then it has improved greatly, with enormous recent upgrades. Its structure more closely resembles that of more advanced small business accounting websites like QuickBooks Online and Xero. Wave is at the top, but FreshBooks is a very close second. Read the capsules below and click through to the full reviews for more details. Featured Online Accounting Service Reviews.

Chapter 6 : The Best Online Accounting Services for Freelancers | www.nxgvision.com

Zoho Books. Zoho Books is a Web-based accounting app that is a part of Zoho's suite of online productivity apps. It allows you to track bills and expenses, create invoices, receive online payments, reconcile bank and credit accounts, and create financial reports.

Company template file Guaranteed. Order Now and instantly download: Sample company file with a year of transactions. Company template file to help you start. This book is great. Just waiting to work my way through it on QuickBooks. I appreciate you backing up you work with personal service. They rave about it instead. QuickBooks is the 1 bestselling accounting software for small businesses. Use the Mac, Windows, or Online version. Accountants love it and often charge you less for their fees if you use this software which they are very familiar with. Combined with our training, you will slash your bookkeeping time. Free 7-day e-course Signup for a free e-course covering the basics of QuickBooks and Landlording. How would you like a QuickBooks ProAdvisor and Landlording expert to give you specific, step-by-step instructions to help your business? Compatible with all versions including Mimic the examples shown, and save time. Join Thousands of LandlordAccounting Landlords. Please feel free to refer or quote me anytime. Thanks for your help. Download an image packed book. Every task is explained in graphical detail, with many screen shots and step by step instructions. We explain how to do things with images, arrows, callouts, and clear organization. Whether you read it straight through, or jump directly into a section, you will understand all how-to steps the first time. Over illustrated images clearly explain each concept.

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Bottom Line: Xero is an exceptionally good double-entry accounting app that excels at many of the basics a small business might need, such as records and transactions that support sales and.

And sole proprietors who use cloud accounting experience even more freedom with their work. You get to answer to yourself. And because answer to yourself, you can work wherever you want and whenever you want. Plus, you keep most the profits of your work, rather than making just a flat salary. When you own your own business, you have the potential to pocket what your company was making off of you along with your original paycheck. Start your business today There are sole proprietors everywhere. And lucky for you, a healthy economy combined with advances in cloud software makes this the best time to start your own business. However, there is some risk to going out on your own. In the last few years, several great accounting software options have hit the market. They offer sole proprietors tools like easy invoicing, time tracking, and project management. For example, ZipBooks allows you to create an invoice that automatically includes unbilled time. You can stay organized and be more transparent with your clients, which leads to fewer concerns about what they are being billed for. Why being a sole proprietor can give you the occasional headache As a sole proprietor, you probably juggle a lot. And you may take on many different roles. You need a software solution that is accurate and that manages risk to you and your company. No matter how many to dos are on your list, your real success depends on the time you have to do the work you actually enjoy. So instead of taking on every task by yourself, try using a cloud software to organize and automate your accounting responsibilities. For instance, try signing up for a cloud software to automate your recurring invoicing. Schedule weekly or monthly invoices for specific clients, invoice them for recurring projects and hours, and set a date for when you would like those recurring invoices to stop. When you have less to stay on top of, you can find the time you need to make your big ideas happen. Cloud tools that relieve the headache The following are some features of cloud accounting software that will get you organized. Invoicing template and software – A professional invoice template combined with a simple invoicing software is what can make you truly efficient. You can fill out invoices in seconds and send them from any device that can access the internet. Time tracking – Track the time you spend working on projects from your cloud software. You can track time as you go, or enter it manually later. Project tracking – Stop scribbling notes on scratch paper and laboriously creating invoices in Excel. Interactive charts and graphs – Review your finances in real time when you log in every day. Share data – One day you may need to share your info with an accountant remotely. Multiple payment options – There are cloud software companies that will allow you to offer clients multiple payment options. ZipBooks is a cloud based accounting software that is free to use and sign up for. ZipBooks is the most straightforward accounting software because it was built for you, not your accountant. Enjoy simple templates, a user-friendly interface, and a very straightforward way of bookkeeping. Store as many invoices, estimates, and receipts as you need. And keep adding as many client profiles as your business requires. ZipBooks sets you free Cloud accounting takes the frustration out of work by giving you simple tools to accomplish complicated tasks. Our goals are to get you organized and get you paid faster, and our features demonstrate that. One-click invoicing saves you time, offering multiple payment options gets you paid faster, and access to unlimited storage lets you move the office to the cloud. Post Sidebar Join over 60, ZipBookers and subscribe for our tips on growing a profitable business.

Chapter 8 : Sole Proprietor Accounting | Small Business Guide | Xero US

The Principles of GAAP Generally accepted accounting principles, or GAAP for short, are the accounting rules used to prepare and standardize the reporting of financial statements, such as balance sheets, income statements and cashflow statements, for publicly traded companies and many private companies in the United States. GAAP-based income is.

Chapter 9 : The Accounting Methods for Sole Proprietorship and Cash Accrual | www.nxgvision.com

Modern accounting follows the same principles set down by Luca Pacioli over years ago. However, today it is a highly organized profession, with a complex set of rules for the fair disclosure and presentation of information in financial statements.