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The Structure and Scope of Accounting by Stevekrish

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Accounting is an art of recording, summarizing, classifying, analyzing interpreting and communicating the result of the transaction and events in relation to finance. In accounting the first and foremost function is recording, that is making journal entries of the transactions made. Then classifying the entries is the second step. Here we classify the journal entries under respective accounts in Ledger.

The next important step is summarizing the information from ledger to prepare trial balance, Profit and Loss accounts, Balance sheet and cash flow statement. Now comes the analyzing part, here all the prepared accounts like balance sheet, profit and loss etc are viewed and analyzed based on the companyâ€™s income and expenditure. Next is the stage of interpretation, from the analyzed data we can interpret the progress of the company. In the final stage the interpreted data is communicated to take the necessary action. This is the basic structure of accounting.

Students are given assignments in these aspects and they are tested with their knowledge .There are also accounting assignment help* services which can be beneficial to students who are struggling to crack the concepts.

So the above introduction about accounting makes you clear that for any kind of business either small or big you need someone to maintain accounts. In the business world accounting is everything, whatever the decision is made final; it will be based on accounting. So it has undoubtedly wide scope when compared to any other field.

Accounts has very deep roots in the history, it is in this planet right from the time people started trading that is even before money came into existence and still today it plays a major role in all the fields. To be simple wherever there is money there is accounting. Accounting is there in each and every level of people right from the CEO to low level employee and it is just that the amount of money and certain methods change.

Through accounting methods one can enter all the transactions in form of journals, ledger, trial balance, balance sheet and apart from these there is a crucial field in which accounting plays a pivotal role that is interpreting and communicating. Journals, ledger, trial balance, balance sheet etc are made by the past transactions but interpretation and communication is a futuristic activity and it is a decision about the future with the reference to the past. So this is also a kind of creative work and so accounting is said to be an art.

All theses aspects well explain the scope that an individual has in accounting. All the sectors whether profit organization or non- profit organization there is always a necessity for transaction and you need an accountant to record, classify, summarize, interpret and communicate.

*Source:http://www.assignmentstore.com/accounting-assignment-help.html

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