

## **2- The importance of accounting      أهمية المحاسبة**

The main usefulness of accounting can be given us follows:

1- the Accounting keeps a systematic and permanent record of all financial transactions of a business.

2- The accounting keeps a record of revenues and expenses so that the net results of the business can be quickly known for any period.

3- the accounting keeps a record of assets and liabilities projecting the financial position of the business at any moment of time.

4- the accounting protects the property of the business by designing the required system of accounting.

5- the accounting keeps a control on expenses to minimize the same.

6- the accounting provides information for meeting various legal requirements such as realization of the income tax where purposes.

## **3- Types of accounting .(أنواع المحاسبة)**

**In general ,there are two kinds of accounting:-**

### **1- Financial Accounting**

Financial accounting is the process of providing financial information to external parties.

## 2- Management Accounting

Management accounting is the process of providing financial information to internal management for use.

## 4- Accounting classifications.

التصنيفات

المحاسبية

We can classify accounting into the following categories:

- 1- Financial Accounting
- 2- Administrative Accounting
- 3- Governmental Accounting
- 4- Tax Accounting
- 5- Cost Accounting

**These classifications are distributed between two types of accounting categories and recorded as in the following figure:**

Figure(1)



