Chapter(2)

Accounting transaction
Analysis and Recording
المعاملات المحاسبية
تحليل وتسجيل

A- Accounting cycle
B- Business and accounting transactions
C- Single entry system
D- Accounting equation
F- Double entry system

A- Accounting cycle: الدورة المحاسبية

Accounting cycle:It is a group process for identifying, analyzing, and recording the company's accounting events. Its chain of steps begins with a transaction, and ends with its inclusion in the financial statements. Additional accounting records used during the accounting cycle include the general ledger, Trial balance.

The accounting cycle can be divided into the following steps:
1- analyse transaction from source document.
2- record in journal.
3- Post to general Ledger accounts.
4- adjust the general ledger accounts .
5-Prepare financial statements.
6- Close temporary accounts .

B-Business and accounting transactions:

1-define of business transaction

business transaction is defined:as an exchange of goods services money between two or more parties.

transaction is measurable event internal to a business such as adjustment for the use of assest in operation.

Any business transaction is an accounting transaction if:
1- there is a real change between two parties.
2- there is an effect for this transaction on any of the elements of accounting: assets,Liabilities, and/ or owners equality.

2- transection   analysis:

<u>Transaction analysis is the process is studying a transaction to determine. its economic effect on the business in terms of Accounting equation.</u>(المعادلة المحاسبية)

Apply transaction analysis to analyze simple business transaction in terms of Accounting model:

2- Accounting equation:

Assets =liabilities+ Stockholders quality(capital)

3-Classification of the accounts:

The accounts are classified into three groups as follow:

- personal accounts. الحسابات الشخصية

- real accounts.   الحسابات الحقيقية

-nominal accounts.   الحسابات الاسمية

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