

ACCOUNTING : MEANING,DEFINITION AND NATURE.

Accounting is the language of business,accounting is an ancient art.It is as old as money itself.It involves recording,analysis and interpretation of business transaction.All transaction are shon by popular terms of debit(Dr) an credit(Cr) which is in vented by the fater of moern account ting,i.e;Italian Lucas Pacuili(1494).

Accounting is one of the key function for any profit organization and non profit organization.It is as important for a small firm as ell as for larger companies.It shows profit or loss,firms assests and liabilitiesat te end of given financial year.

SOME IMPORTANT DEFINITION OF ACCOUNTING ARE AS FOLLOWS:-

- Accounting System is a means of collecting,summarizing,analyzing and reporting in monetary terms the information of buinesss (By R.N Anthony)
- Accounting is the art of recording,classifying and summarizing in a significant manner and in terms of money transaction and events which are in part atleast of a financial character and interpreting the result theory.(By American Institute Of Certified Public Accounts,1961).

As above,we may say that Accounting is a means of collecting,summarizing,analyzing,and communicating the results of business operation.

NATURE OF ACCOUNTING:-

Following are the important nature of accounting:-

- Accounting is a Process: it is identified as a process for a specific task of monetary transaction.
- Accounting is an Art: It is an art of recording Transaction by a systematic method with definite Tecnologies and procedure,which involves ournal,ledger and Trial Balance and financial statements.
- Accounting is a science: Science is a bassed as established laws or rules.Accounting Principles are rules and principles of accounting recording.hence it may be termed as a science.
- Accounting is a systematic exercise.

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