

KNOWLEDGE



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1. The first part of the text discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The text emphasizes that every entry should be supported by appropriate documentation, such as invoices, receipts, and contracts.

2. The second part of the text focuses on the importance of regular reconciliation. This process involves comparing the company's internal records with external statements, such as bank statements, to identify any discrepancies. Regular reconciliation helps to detect errors early and ensures that the financial records are up-to-date and accurate.

3. The third part of the text discusses the importance of maintaining proper segregation of duties. This means that no single individual should be responsible for all aspects of a financial transaction. By separating the responsibilities of authorization, recording, and custody, the risk of fraud and error is significantly reduced.

Account Name	Debit	Credit
Accounts Receivable	1000	
Accounts Payable		500
Inventory	200	
Equity		300
Total	1200	1200