

NOTES

1. The first part of the notes discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity and reliability of the financial statements. This includes recording both income and expenses, as well as any adjustments or corrections made during the accounting period.

2. The second part of the notes focuses on the classification of expenses. It explains that expenses should be categorized based on their nature and purpose, such as operating expenses, capital expenses, and non-recurring expenses. This classification is crucial for determining the correct accounting treatment and for providing meaningful information to stakeholders.

3. The third part of the notes addresses the issue of depreciation and amortization. It describes how these methods are used to allocate the cost of long-term assets over their useful lives. The notes provide a brief overview of the different methods available, such as straight-line, declining balance, and units-of-production, and discusses their respective advantages and disadvantages.

4. The final part of the notes discusses the importance of reconciling the accounting records with the bank statements. It explains that this process helps to identify any discrepancies or errors and ensures that the company's books are in balance. The notes provide a step-by-step guide for performing a bank reconciliation, including identifying outstanding checks and deposits in transit.

Accounting Entries	
1. Cash	500
2. Accounts Receivable	100
3. Inventory	200
4. Equipment	300
5. Accounts Payable	150
6. Retained Earnings	150
7. Sales Revenue	1000
8. Cost of Goods Sold	400
9. Depreciation Expense	50
10. Interest Expense	20
11. Dividend Payout	70
12. Retained Earnings	150