



The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every sale, purchase, and expense must be properly documented to ensure the integrity of the financial statements. This includes keeping receipts, invoices, and bank statements.

The second part of the document focuses on the classification of assets and liabilities. It explains how to distinguish between current and long-term assets, and between current and long-term liabilities. This classification is crucial for determining the company's liquidity and solvency.

The third part of the document covers the calculation of key financial ratios. These ratios provide valuable insights into the company's performance and financial health. Examples include the current ratio, debt-to-equity ratio, and return on equity.

The final part of the document discusses the importance of regular financial reviews. It suggests that management should conduct periodic reviews of the financial statements to identify trends, address issues, and make informed decisions about the company's future.

TABLE III

Item	Value	Category
1. Cash	100	Current Asset
2. Accounts Receivable	200	Current Asset
3. Inventory	150	Current Asset
4. Prepaid Expenses	50	Current Asset
5. Property, Plant, and Equipment	500	Long-Term Asset
6. Accounts Payable	120	Current Liability
7. Long-Term Debt	300	Long-Term Liability
8. Equity	430	Equity