

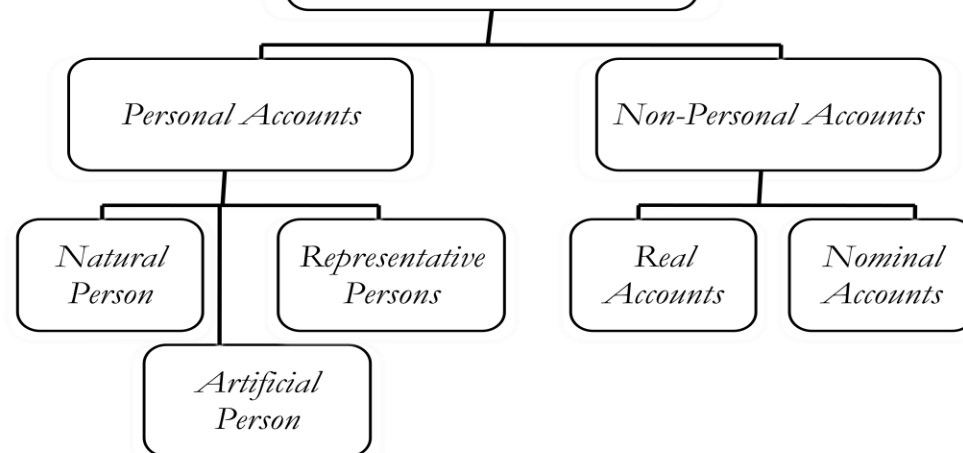


1

- ✓ Money is the **blood** of Business
- ✓ Money can be in **Various Forms** in business e.g. *Debtors, Stock, Fixed Assets, Bank*
- ✓ In day to day operations of business, **Money changes its forms** e.g. *Sale of Stock on credit – from Stock to Debtors, Purchase of Fixed Asset on Cheque – from Bank to Fixed Assets*
- ✓ This change of form is also called **Flow of Money** from one form to another form.
- ✓ This Flow of Money is also called **Transaction**.
- ✓ Recording of transaction is called **Accounting**.

2

*Form of Money -
Accounts*



3

	Personal Accounts	Real Accounts	Nominal Accounts
Meaning	Related to Persons	Related to Business Assets	Related to Exp./Losses/Gains/Incomes
Example	Ram & Co., Shyam, Debtors	Land, Building, Investments	Salary, Interest
What is Debited	The Receiver	What Comes In	All Exp. & Losses
What is Credited	The Giver	What Goes Out	All Incomes & Gains