CONTENTS

	FOREWORD	*iii*
Chapter 9	**Financial Statements - I**	**331**
9.1	Stakeholders and Their Information Requirements	331
9.2	Distinction between Capital and Revenue	333
9.3	Financial Statements	335
9.4	Trading and Profit and Loss Account	337
9.5	Operating Profit (EBIT)	351
9.6	Balance Sheet	353
9.7	Opening Entry	362
Chapter 10	**Financial Statements**	**372**
10.1	Need for Adjustments	372
10.2	Closing Stock	374
10.3	Outstanding Expenses	376
10.4	Prepaid Expenses	377
10.5	Accrued Income	379
10.6	Income Received in Advance	381
10.7	Depreciation	382
10.8	Bad Debts	383
10.9	Provision for Bad and Doubtful Debts	384
10.10	Provision for Discount on Debtors	387
10.11	Manager's Commission	389
10.12	Interest on Capital	392
10.13	Methods of Presenting the Financial Statements	416
Chapter 11	**Accounts from Incomplete Records**	**437**
11.1	Meaning of Incomplete Records	437
11.2	Reasons of Incompleteness and its Limitations	438

11.3	Ascertainment of Profit and Loss	439
11.4	Preparing Trading and Profit and Loss Account and the Balance Sheet	444
Chapter 12	**Applications of Computers in Accounting**	**475**
12.1	Meaning and Elements of Computer System	475
12.2	Capabilities of Computer System	477
12.3	Limitations of a Computer System	478
12.4	Components of Computer	479
12.5	Evolution of Computerised Accounting	480
12.6	Features of Computerised Accounting System	483
12.7	Management Information System and Accounting Information System	485
Chapter 13	**Computerised Accounting System**	**492**
13.1	Concept of Computerised Accounting System	492
13.2	Comparison between Manual and Computerised Accounting	494
13.3	Advantages of Computerised Accounting System	495
13.4	Limitations of Computerised Accounting System	497
13.5	Sourcing of Accounting Software	498
13.6	Generic Considerations before Sourcing an Accounting Software	501
Chapter 14	**Structuring Database for Accounting**	**504**
14.1	Data Processing Cycle	506
14.2	Designing Database for Accounting	507
14.3	Entity Relationship (ER) Model	508
14.4	Database Technology	518
14.5	An Illustration of Accounting Database	520
14.6	Relational Data Model	523
14.7	Relational Databases and Schemas	524
14.8	Constraints and Database Schemas	525
14.9	Operations and Constraint Violations	527

14.10	Designing Relational Database Schema	528
14.11	llustrating the Database Structure for Example Realities	531
14.12	Interacting with Databases	539
Chapter 15	**Accounting System Using Database Management System**	**555**
15.1	MS Access and its Components	555
15.2	Creating Tables and Relationships for Accounting Database	560
15.3	Vouchers Using Forms	566
15.4	Information Using Queries	588
15.5	Generating Accounting Reports	622