

# Advanced Accounting: A Treatise on the Principles and Practices of Accounting as Applicable in Australia, Written for Practising Accountants, and Students Preparing for the Accounting Papers of the Universities, Technical Colleges, Accountancy and Secretarial Institutes and Similar ..., Volume 1, 1949 Law Book Company of Australasia, 1949 Sir Robert Keith Yorston

This accounting principle requires companies to use the accrual basis of accounting. The matching principle requires that expenses be matched with revenues. Under the accrual basis of accounting (as opposed to the cash basis of accounting), revenues are recognized as soon as a product has been sold or a service has been performed, regardless of when the money is actually received. Under this basic accounting principle, a company could earn and report \$20,000 of revenue in its first month of operation but receive \$0 in actual cash in that month. Also, an accountant may write inventory down to an amount that is lower than the original cost, but will not write inventory up to an amount higher than the original cost. Define two generally accepted accounting principles that relate to adjusting the accounts. Revenue Recognition Principle "revenues should be recorded in the time period when they are earned. Matching Principle "expenses should be recorded when incurred such that the expenses are recorded in the same time period as the related revenue. It is a working tool for an accountant and not a permanent accounting record. Use of a worksheet should make the preparation of adjusting entries and financial statements easier. It is NOT a journal and it cannot be used as a basis for posting to ledger accounts. is a required step in the accounting cycle. These are done only at the end of the annual accounting period. The Closing Process. Free essays, homework help, flashcards, research papers, book reports, term papers, history, science, politics. He was a member of the American Accounting Association and the Institute of Management Accountants and served on committees for both organizations. Beams was honored with the National Association of Accountants' Lybrand Bronze Medal Award for outstanding contribution to accounting literature, the Distinguished Career in Accounting award from the Virginia Society of CPAs, and the Virginia Outstanding Accounting Educator award from the Carman G. Blough student chapter of the Institute of Management Accountants. The worldview of accounting and accountants may certainly involve some unhelpful characters poring over formidable figures stacked up in indecipherable columns. However, a short and sweet description of accounting does exist. Therefore, accounting principles based on certain concepts, convention, and tradition have been evolved by accounting authorities and regulators and are followed internationally. These principles, which serve as the rules for accounting for financial transactions and preparing financial statements, are known as the "Generally Accepted Accounting Principles," or GAAP. It ensures that common practices and conventions are followed, and that the common rules and procedures are complied with.