# ESSENTIAL TERMS IN BUSINESS ACCOUNTING

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# ACCOUNTING (लेखा-जोखा)

Recording and reporting business transactions.

**Example:** Accounting (लेखा-जोखा) involves noting down sales, purchases, and payments.

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# ACCOUNTANCY (लेखा-शास्त्र)

The profession of accounting.

**Example:** An accountant who helps you manage your books is working in accountancy (लेखा-शास्त्र).

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# BUSINESS TRANSACTION (व्यवसाय लेन-देन)

An activity where goods, services, or money are exchanged between two parties.

**Example:** A customer buys goods worth ₹10,000 from your shop. This is a business transaction (व्यवसाय लेन-देन).

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# TYPES OF BUSINESS TRANSACTION:-

## CASH TRANSACTION (नकद लेन-देन)

Payment is made immediately in cash.
**Example:** A customer pays ₹5,000 in cash for items purchased.

## CREDIT TRANSACTION (उधार लेन-देन)

Payment is made at a later date.
**Example:** A customer buys ₹10,000 worth of goods but promises to pay later.

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# CAPITAL (पूंजी)

Money or assets invested by the owner into the business.
**Example:** The owner invests ₹50,000 to start a new business.

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# DRAWING (निकासी)

Money or goods taken by

the owner for personal use.
**Example:** The owner withdraws ₹5,000 for personal expenses.

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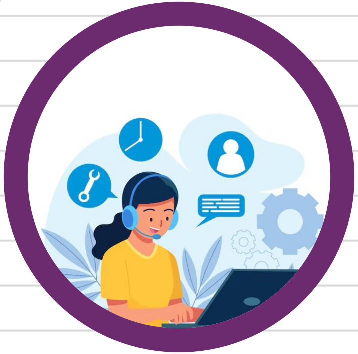
## GOODS (समान)

Items bought or made to sell.

## SERVICES (सेवाएँ)



Activities provided for payment.

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## VOUCHER (वाउचर)

A document used to record a transaction.

## PROPRIETOR (स्वामी)

The owner of the business.

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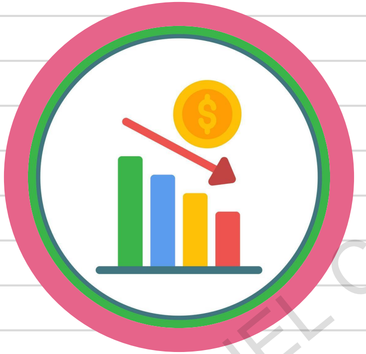
## DEPRECIATION (ह्रास)



The loss of value of an asset over time.

## MESSRS (मेसर्स):

A formal way of addressing a partnership firm or company.

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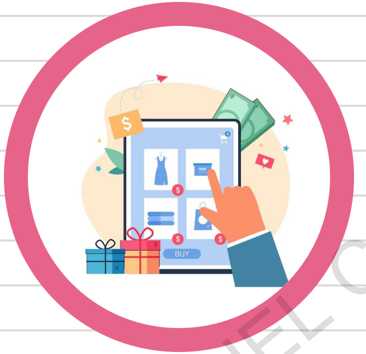
## PURCHASE (खरीद):




Buying goods or services for the business.

## PURCHASE RETURN (खरीद वापसी):


Returning purchased goods due to defects or other issues.

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## SALES (बिक्री):


Selling goods or services to customers.

## SALES RETURN (बिक्री वापसी):


Goods returned by the customer due to defects or dissatisfaction.

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**DEBITS (डेबिट):**

In accounting, it refers to money going out or an increase in assets.

**CREDITS (क्रेडिट):**

In accounting, it refers to money coming in or an increase in liabilities.

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**LIABILITY (दायित्व)** : Money the business owes to others.

## 01

### CURRENT LIABILITY (वर्तमान दायित्व):

Money to be paid within one year.
**Example:** Your business has to pay ₹10,000 for a bill within 3 months.

## 02

### NON-CURRENT LIABILITY (दीर्घकालिक दायित्व):

Money to be paid after one year.
**Example:** Your business has a long-term loan of ₹50,000, payable in 5 years.

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## ASSETS (संपत्ति):

Resources the business owns.

### 01

### NON-CURRENT ASSETS (दीर्घकालिक संपत्ति):

Assets used for more than a year and not quickly converted to cash.

**Types:**
**Fixed Assets:** Physical items like buildings, machines, and land.
**Intangible Assets:** Non-physical items like patents and goodwill.

### 02

### CURRENT ASSETS (वर्तमान संपत्ति):

Can be converted to cash within one year (e.g., cash, inventory).

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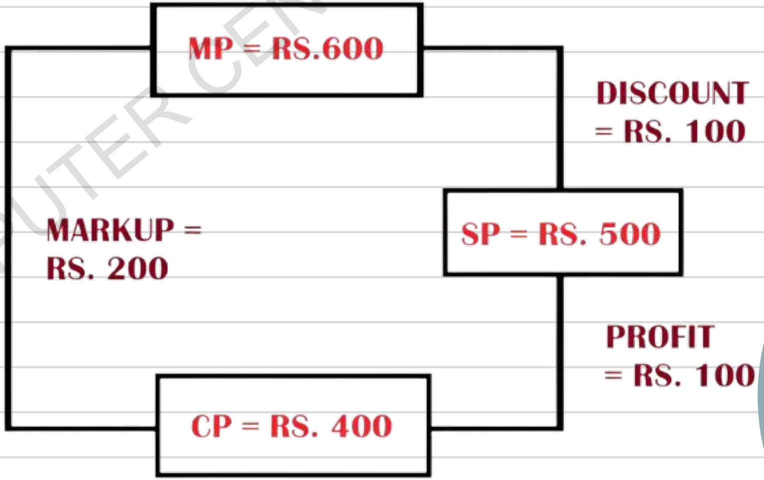
**CP (Cost Price) (मूल्य मूल्य):**
Price of goods when bought.

**SP (Selling Price) (विक्रय मूल्य):**
Price of goods when sold.

**MP (Market Price) (बाजार मूल्य):**
Current price of goods in the market

**Markup Price (लाभांश मूल्य):**
The extra amount added to the cost price to set the selling price.

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## 01 DEBTOR (ऋणी)

A person who has to give money to the business.
**Example:**
If a customer has to give ₹5,000 to your business for goods bought on credit, they are your debtor.

## 02 CREDITOR (लेनदार)

A person to whom the business has to give money.
**Example:**
If your business has to give ₹5,000 to a supplier for goods bought on credit, the supplier is your creditor.

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## REVENUE (राजस्व):

Money earned by the business through its main activities.

**Example:** If you sell goods worth ₹20,000 in a month, your revenue is ₹20,000.

## INCOME (आय):

Profit left after expenses are subtracted from revenue.

**Example:** If your business earns ₹20,000 in revenue but has ₹15,000 in expenses, your income is ₹5,000.

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# EXPENDITURE (व्यय)

Money spent by a business for its operations.

## Types of Expenditure (व्यय के प्रकार):

**01**

**Prepaid Expenditure (पूर्व भुगतान व्यय):**

Money paid in advance for future use.

**02**

**Outstanding Expenditure (बकाया व्यय):**

Money owed but not yet paid.

**03**

**Direct Expenditure (प्रत्यक्ष व्यय):**

Costs directly related to production.

**04**

**Indirect Expenditure (अप्रत्यक्ष व्यय):**

Costs not directly related to production.

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01

## SAVING (बचत)

Money left after all expenses are paid.

02

## PROFIT (लाभ)

Extra money earned when revenue is more than expenses.

03

## LOSS (हानि)

Money lost when expenses are more than revenue.

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# DISCOUNT (छूट):

## DISCOUNT

A price reduction

### TRADE DISCOUNT (वाणिज्यिक छूट)

Discount given on the price of goods at the time of purchase.

### CASH DISCOUNT (नकद छूट)

Discount for paying early

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