



**SOS IN COMPUTER SCIENCE &
APPLICATION
JIWANJI UNIVERSITY**

Class : BCA IV Semester

Subject : Accounting and Management Control

Paper Code: (404)

Topic: (i) Rule's of journalizing

(ii) Trial Balance

Rules of journalizing

Rule of Personal account:

Dr. the receiver

Cr. the giver

For example: good sold to Suresh. In this transaction, Suresh is a personal account as being a natural person. His account will be debited in this transaction.

Rule of Real Account

Rule of Real Account:

Dr. What comes in

Cr. What goes out

For example: furniture purchased by an entity in cash. debit furniture a/c and credit cash a/c.

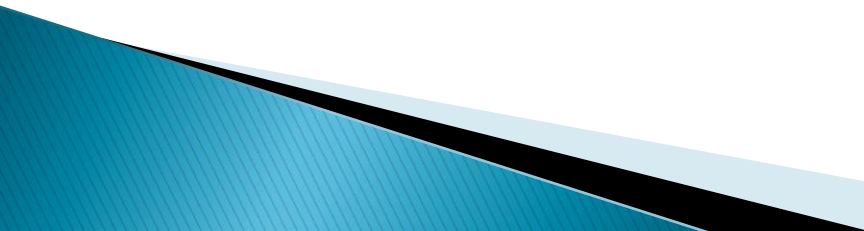
Rule of Nominal Account

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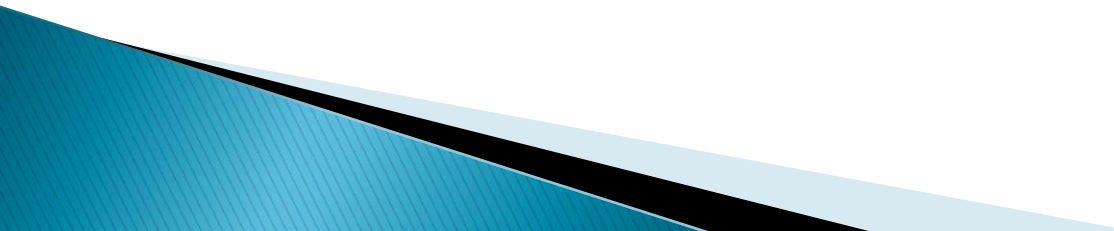
Dr. All the expenses and losses

Cr. All the incomes and gains

For example: salary paid to employees of the entity. Salary a/c will be debited when the expenses are incurred.



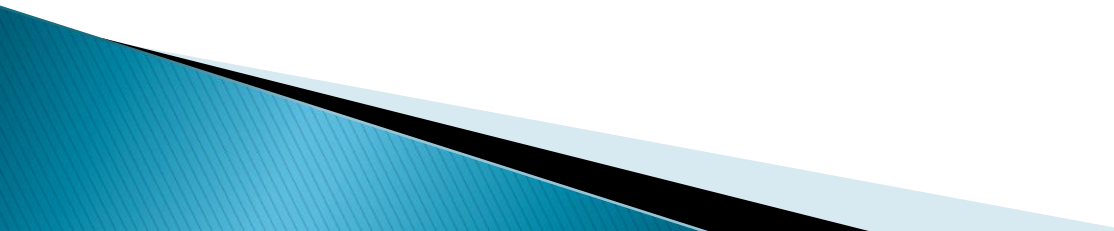
What is a Trial Balance

- ▶ A trial balance is a report that lists the balances of all general ledger accounts of a company at a certain point in time. The accounts reflected on a trial balance related to all major accounting items, including assets, liabilities, equity, revenue expenses, gains and losses.
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Concept of Trial Balance

A Trial balance is a sheet recording all the ledger balance is categorized into debit and credit. A typical trial balance will have name of ledgers and the balances . This is prepared as at a particular date which can be financial year end or calendar year.

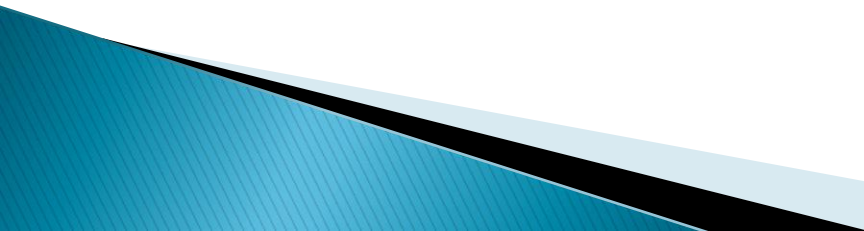
Trial Balance

- Trial balances is:
 - 1. Recording of transaction is a journal entry.
 - 2. Summarizing them and categorizing them are ledgers.
 - 3. Creating a worksheet and classifying the ledgers is a trial balance.
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Advantages of Trial Balance

Arithmetical accuracy: In double entry system, every transaction will result in two entries of equal and opposite nature hence at any point in time all debit ledgers total will match to credit ledger total. Trial balance list all the accounts as on particular date, the total debit of the trial balance must match to the credit total.

Uses of Trial Balance

- ▶ Ease of posting adjustment: A tallied trial balance offers a significant comfort regarding accuracy and hence post trial balance adjustment can be affected.
 - ▶ Aids in Audit: Trial balance gives a list of all ledgers with balances. For the purposes of audit the trial balance is analysed.
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Uses of Trial Balance

Defines credibility: Trial balance is also used by banks and lending agencies to understand the borrowing capacity of a business and credibility.

Despite the numerous benefits of trial balance, it is imperative to understand that the tallied trial balance does not ensure zero errors. If there are offsetting errors, the trial balance will tally despite the errors.