Assessment 1 **Total Marks: 30**

Answer the following questions:

Objective of accounting
-TIO KEEP SYSTEM RECORD(all transactions record in the books)
-ASCERTAIN THE RESULTS OF THE OPERATIONS(profits earned or loss, income,calculations
-ASCERTAIN THE FINANCIAL POSITION OF BUSINESS (
-cash, liabilities,capital)
-LIQUIDITY AND SOLVENCY all spends cash,dividents,loans are potrayed in financial reports
-PROTECT BUSINESS PROPERTIES updating records to prevent false claims)
-MAKING DECISION -annalysing and MAINTAIN UP to date accounts

Activity **(10)**

List the various accounting activities that an organisation under takes and give reasons for each as to why that particular activity is performed in the organisations.

1.Identifying financial business transactions/events

. 2.Measuring transactions/events

3.Recording transactions/events

5.Classifying transactions/events- called ledger/entries

6.Summarizing transactions/event sin the trial balance , income statements and balance sheets

7. Analysing transactions/ events

8.Intepreting transactions/events

9.reporting transactions

10.Communicating transactions by preparing statutory reports and sending them to internal

Or external users

2.What is accounting cycle? Outline the basic steps included in accounting cycle
a. Transactions
-including new equipment, sale of an aset, paying off loans, paying out dividends to owners
b. Journal Entries
-All transactions exist in a chronological order with the date when occurred, the kind and amount placed in the special books
c. Posting
it's a summary of all business accounts which belong to the general ledger
d. Trial Balance
-prepared at the end of accounting period month/year a quarter
e. Worksheet
-corrections and adjustments in a balance
f. Adjusting Journal
-Corrections and recognizing the errors in a trial balance first then adjusting entries are made
g. Financial Statement
– profit and loss account and balance sheet using adjusted accounts
h. Closing the books
At the end of an accounting cycle and start with zero a new balances