

Content for Business Accounting

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Lesson - 2 - Types of Business Accounting?

Lesson - 3 – Best Business Accounting Software

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Lesson no. 1 – What is Business Accounting

Business accounting consists of three basic activities: identifying, recording and communicating the economic events of a company. Accountants identify economic events such as transactions and investments. Accountants use bookkeeping techniques to systematically record economic events. Finally, accountants use financial statements to present their records to people who use accounting information. Sometimes, accounting might also mean analyzing and interpreting financial statements and explaining the meaning of reported data.

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Accounting Information Users

Two broad groups of people use business financial statements, internal users and external users. Internal users need accounting data to help them run the company. Internal users include marketers, supervisors and financial officers. Managerial accountants manage and report information to internal users.

External users usually need accounting information for investment or legal reasons. External users include investors, creditors and government agencies. Financial accountants manage and report information to external users.

Elements of the Accounting Equation

Business accounting financial records describe what a business is owed and what it owns. What a business owns is called “assets.” What a business owes is split into two categories, liabilities (credit debts) and stockholders’ equity (investor debts). “Assets=Liabilities+Stockholders’ Equity” is the accounting basic equation that all accountants use to record and report.

This equation is the same for a huge corporation as it is for the restaurant around the corner. Accounting red flags should go up if assets fail to equal liabilities and equity.

Generally Accepted Accounting Principles

The agencies that regulate U.S. accounting and financial markets, the Securities and Exchange Commission, and the Financial Accounting Standards Board, created a set of universal accounting standards known as Generally Accepted Accounting Principles, or GAAP. GAAP ensure that all accountants identify, record and report the same way. GAAP dictates that accountants use the cost principle, meaning that accounting items are always recorded at their initial cost.

GAAP also imposes assumptions, such as the monetary unit assumption that describes transactions as data expressed in monetary terms, and the economic entity assumption that legally describes business types.

Accounting Ethics and Oversight

Ethics is fundamental to accounting because so many people depend on honest and error-free financial statements. In 2002, several high-profile accounting scandals involving AIG, Enron, WorldCom and others, crippled the economy. The government responded by initiating the Sarbanes-Oxley Act of 2002 (SOX) a law that holds company financial officers directly responsible for accounting fraud and oversight. SOX law and other accounting laws combine with ethical sensibilities to create accounting data that users can trust.

Lesson no. 2 – Types of Business Accounting

Although accounting and finance are both vital to the healthy functioning of a business, they have different meanings and accomplish different goals. Accounting, for example, refers to how a business acquires its money and how much it distributes outward to cover expenses. The term finance refers to the way a business makes its financing and business decisions to ensure the ongoing survival and growth of the company.

A finance department can't operate without input from accounting, and accounting professionals require the assistance of financial experts to create accounting information readily understood by a general audience. A business must use three separate types of accounting to track its income and expenses most efficiently. These include cost, managerial, and financial accounting, each of which we explore below.

The Three Types of Accounting and Why They Matter to Your Business

1. Cost Accounting
2. Managerial Accounting
3. Finance Accounting

1. **Cost Accounting:** Disagreement exists within the accounting and finance world about whether cost and managerial accounting are the same or two separate entities. Whatever you're feeling about it, these two areas of accounting certainly do overlap. The primary function of cost accounting is for a business to determine its production costs by considering how much it spends to purchase the supplies and labor needed to create its products.

When managers receive these figures, they compare the cost of the production of goods against the profit the company earned by selling them. This helps them to establish a budget for future projects of a similar nature.

2. **Managerial Accounting:** This area of a company's accounting department concerns itself with obtaining and preparing financial documents for management and other higher-level staff. The documents prepared by managerial accountants remain within the organization

only. Managers use the financial documents they receive from this department to help them make the most appropriate business decisions and manage costs.

A key difference with managerial accounting is that those receiving the documents use it for forecasting purposes rather than as historical evidence of financial progress. Some specific techniques used by this area of accounting include cost-volume-profit analysis, risk management, and variance analysis.

- 3. Finance Accounting:** Also called financial accounting, this area of a company focuses on external companies that have expressed interest in the business. Employees create several financial statements to provide to investors. The most common ones include the balance sheet, income statement, and statement of cash flows. These documents help investors understand the financial strength of the company to decide whether they want to follow through with making an investment or not.

Businesses considering whether to extend credit to a company also care about its financial statements. This helps them to determine the risk of loaning money to the company. The creditor may request collateral, a down payment, a personal guarantee, or another method of ensuring payment if the business doesn't have strong financial documents but still shows promise. On the other hand, companies that consistently post a loss or demonstrate proof of poor money management may not have credit extended at all. Companies with the strongest financial documents receive the best interest rates and other favorable terms.

Lesson no. 3 – Best Business Accounting Software

Here we will know about 25 Best Business Accounting Software in India 2021.

1. TallyPrime

A complete GST-compliant accounting Software

TallyPrime is India's leading business management software for GST, accounting, inventory, banking, and payroll. TallyPrime is affordable and is one of the most popular business management software, used by nearly 20 lakh businesses worldwide.

2. Busy Accounting Software

Simple software for FMCG, Retail & Trade

BUSY is one of the best accounting systems for small businesses and enterprises. It has been empowering SMEs across geographies, industry verticals & customer segments like FMCG, Retail, Trading, & Service by helping them manage their business efficiently. It is trusted by more than 6,00,000 businesses in over 20 countries.

3. MARG ERP 9+ Accounting Software

Free software with GST Billing & Filing

Best software for small businesses, handle multiple customers by allowing to hold current invoice. It is economical and one of the most popular ERP software. It's an complete solution from Purchase planning to Balance Sheet.

4. Zoho Books

Easy accounting software for small businesses to manage finances

Simple, easy-to-use and one of the best accounting systems to help you manage your accounts online. You can download 14 days free trial of Zoho books. Zoho Books is an easy-to-use, online accounting software for small businesses to manage their finances and stay on top of their cash flow.

5. Vyapar - Accounting & Invoicing

Accounting Software by Vyapar

Vyapar is the simplest GST ready Inventory, Invoicing and Accounting software. It is user-friendly, you don't have to waste time learning it. It helps you to manage your business digital, even with no Accounting knowledge. Track Cash-In, Cash-Out, Cheques, Cheques, Receivables/Payables, Total Stock Value, Payment Reminders etc, that too without the internet!

6. Fraxinus Books ERP

GST ready Billing - Accounting Software

Fraxinus is an integrated Advanced GST Ready Billing, Accounting and Stock Management Software for Small Business to Large Enterprises. operated from (Online or Offline) Desktop Computers and Mobile Application.

7. MProfit for Accounting

Portfolio & Accounting Management with one software

Mprofit is one of the best portfolio management and accounting management software for investors, traders, advisors, corporates, family offices and CAs to manage your stocks, MFs & other assets.

8. ProfitBooks

Cloud-based accounting software for small business

ProfitBooks is amazingly simple and fastest amongst the list of business best online and offline accounting software for small businesses. It is claimed to be one of the best software for accounting in India.

9. HDPOS Smart Accounts and Billing

Best GST-ready POS Billing & Accounting software

HDPOS is the best software for accounting for small businesses. It has ease of use and nice interface. It is a Windows-based billing, inventory management, and accounting system and it easily installs on a single computer or multiple terminals.



10. Horizon ERP

GST Billing software with Inventory & Accounts

Simple accounting software with complete inventory and accounts modules. It's fast, reliable and easy to maintain. Ideal for businesses that have a large number of invoices and deals in 100's of SKU's. Typically used by distributors, retailers and small manufacturers. Save precious time with fast report generation and simple UI for increased productivity

11. Giddh

Advanced invoicing & accounting software in India

Giddh online accounting tool is an innovative tool designed for undertaking accounting, invoicing and related activities. The tool allows users to add and manage accounts and share

the status with relevant stakeholders via e-mail or a secure link which would be live for 24 hours.

12. Saral Accounts

Perfect accounting solution for 14+ major companies

Saral is one of the top accounting software in India for SMEs. It is very efficient for maintenance of books of accounts of an Organisation. Signup for a free account to download Saral Accounts.

13. Oracle NetSuite ERP

Handle all your accounting operations with ease

NetSuite ERP is a comprehensive accounting software, which has financing, billing, revenue-tracking, accounting, financial planning, and reporting modules built-in. The tool is capable of maintaining all your data on the cloud. Gain daily cash balance and real-time visibility across the business with 24/7 access from any browser.

14. Book Keeper - Accounting & Invoicing

Simple Accounting App for iOS, Android & Windows

Book Keeper is Most Simplified Accounting App available on Windows, Android and iOS platforms. You can generate GST invoices and generate GSTR-1,GSTR-2,GSTR-3B and GSTR4 reports. Also, you can access your data across devices by enabling Sync feature. It's an online as well as offline accounting software.

15. Billing360

Expense, Inventory & Payment handling from one place

Business leaders can't make informed decisions without accurate information. A majority of organizations suffer from disjointed data spread across too many systems. This impacts the bottom line with lost or missed revenue and lengthens the time-to-cash.

16. LOGIC Account

Small business Accounting software for Retailers & Wholesalers

LOGIC ACCOUNT - complete retail, wholesale and accounting solution. It is a suitable software for billing, inventory & accounts functionalities. It is available in two editions such as Retail Edition and Whole Sale Edition.

17. PACT Accounting Software

Manage accounting operations in a cost-effective way

PACT accounting software is a complete solution for all your accounting needs. Its highly-robust functionalities ensure that you get real-time updates. The software automates everything from the general ledger to accounts payable and receivable, and bank management. It can be used by companies of all sizes - small, medium, or large.

18. Zipbooks

Best complete accounting software for small business

ZipBooks is very simple and easy to use complete accounting software designed specifically for small businesses. It enables you to streamline your financial operations and increase productivity. You can get access to all essential accounting management, inventory, sales and purchase features.

19. Integra Trade Plus

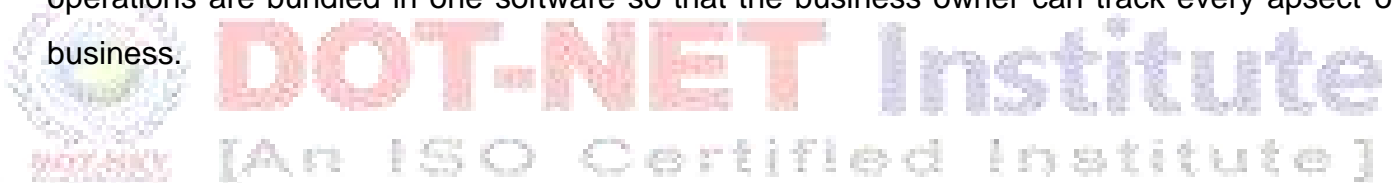
Billing & Accounting Solution for Traders

Trade plus is a proven quality inventory management and accounting package used by several organizations. It is a single user package with features such as multiple financial years, VAT computations, cess on VAT calculations, multiple price rates, etc.

20. Reach

Best Accounting System for Small and Medium Businesses

Reach is an online account software for small & medium businesses. We have software modules for accounting, POS and CRM. The best part about reach is all the business operations are bundled in one software so that the business owner can track every aspect of business.



21. ANV Retail

Billing, Inventory, Barcoding, Accounts, Crystal Report

Our Retail Store Software is reliable store business-management software that ideal update all of your sales, inventory management, analytic, accounting and reporting is one hand and reporting through email and SMS.

22. Digikhata

A User Friendly Accounting & Billing Software

Digikhata GST Software simplifies GST Return Filing and GST Invoices, Billing, accounting and provides an easy interface to manage your Business. It has Easy and intuitive Interface for GST services. You can Register on our website for a free demo now!

23. CraveInvoice

Complete Accounting Software for Small Business

CraveInvoice is a complete accounting software for small to medium size business. It includes all necessary features including inventory, invoicing and accounting management.

24. AccountingGuru

Software by Veersoft Solutions

Accounting Guru is an Online Accounting Software for small business with inventory and billing, which includes Branch Accounting - Interbranch Transactions.

25. BeyondSquare Financial Management System

Software by BeyondSquare Solutions Pvt Ltd

BeyondSquare Financial Management Suite (FMS) is a scalable web application for financial consolidation, financial reporting, financial data analytics and regulatory reporting. The product offers tremendous value to the F&A and secretarial teams to manage, share, and analyze corporate financial information in an efficient, effective and transparent manner.