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# Accounting

ALL-IN-ONE

2nd Edition with Online Practice

**by Kenneth W. Boyd et al.**

for  
**dummies**<sup>®</sup>  
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## **Accounting All-in-One For Dummies®**, 2nd Edition with Online Practice

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# Introduction

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To the general public, *accounting* means crunching numbers. Accountants are bean counters, whose job it is to make sure enough money is coming in to cover all the money going out. Most people also recognize that accountants help individuals and businesses complete their tax returns. Few people give much thought to the many other facets of accounting.

Accounting is much more than just keeping the books and completing tax returns. Sure, that is a large part of it, but in the business world, accounting also includes setting up an accounting system, preparing financial statements and reports, analyzing financial statements, planning and budgeting for a business, attracting and managing investment capital, securing loans, analyzing and managing costs, making purchase decisions, providing financial insight and advice to business owners and management, and preventing and detecting fraud.

Although no single book can help you master everything there is to know about all fields of accounting, this book provides the information you need to get started in the most common areas.

## About This Book

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*Accounting All-In-One For Dummies*, 2nd Edition expands your understanding of what accounting is and provides you with the information and guidance to master the skills you need in various areas of accounting. This book, actually nine books in one, covers everything from setting up an accounting system to preventing and detecting fraud:

- » Book 1: Setting Up Your Accounting System
- » Book 2: Recording Accounting Transactions
- » Book 3: Adjusting and Closing Entries
- » Book 4: Preparing Income Statements and Balance Sheets
- » Book 5: Reporting on Your Financial Statements

- » Book 6: Planning and Budgeting for Your Business
- » Book 7: Making Savvy Business Decisions
- » Book 8: Handling Cash and Making Purchase Decisions
- » Book 9: Auditing and Detecting Financial Fraud

## Foolish Assumptions

In order to narrow the scope of this book and present information and guidance that would be most useful to you, the reader, we had to make a few foolish assumptions about who you are:

- » **You're an accountant, accountant wannabe, a businessperson who needs to know about some aspect of business accounting, or an investor who needs to know how to make sense of financial statements.** This book doesn't cover how to budget for groceries or complete your 1040 tax return. In other words, this book is strictly business. Some chapters are geared more toward accountants, while others primarily address business owners and managers.
- » **You're compelled to or genuinely interested in finding out more about accounting.** If you're not motivated by a need or desire to acquire the knowledge and skills required to perform fundamental accounting tasks, you probably need to hire an accountant instead trying to do this stuff on your own.
- » **You can do the math.** You don't need to know trigonometry or calculus, but you do need to be able to crunch numbers by using addition, subtraction, multiplication, and division. As for that higher-level math, that's why we have accounting software.

## Icons Used in This Book

Throughout this book, icons in the margins cue you in on different types of information that call out for your attention. Here are the icons you'll see and a brief description of each.



REMEMBER

It would be nice if you could remember everything you read in this book, but if you can't quite do that, then remember the important points flagged with this icon.



TIP

Tips provide insider insight. When you're looking for a better, faster way to do something, check out these tips.



WARNING

“Whoa!” This icon appears when you need to be extra vigilant or seek professional help before moving forward.

## Beyond the Book

In addition to the abundance of information and guidance on accounting that's provided in this book, you're entitled to some online bonus material:

» **Quizzes:** Each of the nine Books that comprise this book has an online quiz you can use to self-evaluate the knowledge and skills you acquired or at least see how much of the information you can recall. After completing each Book, test your knowledge with the corresponding quiz.

To gain access to the quizzes and videos, all you have to do is register. Just follow these simple steps:

1. **Register your book or ebook at [Dummies.com](http://www.dummies.com) to get your PIN. Go to [www.dummies.com/go/getaccess](http://www.dummies.com/go/getaccess).**
2. **Select your product from the dropdown list on that page.**
3. **Follow the prompts to validate your product, and then check your email for a confirmation message that includes your PIN and instructions for logging in.**

If you do not receive this email within two hours, please check your spam folder before contacting us through our Technical Support website at <http://support.wiley.com> or by phone at 877-762-2974.

Now you're ready to go! You can come back to the practice material as often as you want — simply log on with the username and password you created during your initial login. No need to enter the access code a second time.

Your registration is good for one year from the day you activate your PIN.

» **Video presentations:** Ken Boyd, former CPA, current online accounting trainer, and one of the many authors who contributed to this mini accounting library has contributed a number of videos on various accounting topics covered in this book. To view these engaging and educational videos, simply go to [www.dummies.com/go/accountingavideos](http://www.dummies.com/go/accountingavideos).

You can also access a free Cheat Sheet at [dummies.com](http://dummies.com) (enter **Accounting All-in-One For Dummies Cheat Sheet** in the search box). The Cheat Sheet features key accounting terms, tips for controlling cash, essential formulas for cost accounting, and definitions of key financial accounting terms. It also explains the relationship between cash flow and profit.

## Where to Go from Here

Although you're certainly welcome to read *Accounting All-In-One For Dummies*, 2nd Edition from start to finish (probably not at a single sitting), feel free to skip and dip, focusing on whichever area of accounting and whichever topic is most relevant to your current needs and interests. If you're just getting started, Books 1 to 3 may be just what you're looking for. If you're facing the daunting challenge of preparing financial statements for a business, consult Books 4 and 5. If you own or manage a business, check out Books 6 to 8 for information and guidance on managerial accounting. And if you're in charge of preventing and detecting incidents of fraud, or you just want to know more about accounting fraud so that you can do your part to prevent it, check out the chapters in Book 9.

Wherever you go, you'll find the information and guidance you need in an engaging and easily accessible format.