

Introduction

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, 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

Accounting All-In-One For Dummies 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 covers everything from setting up an accounting system to preventing and detecting fraud. This book gives you nine Books in one:

- ✓ Book I: Setting Up Your Accounting System
- ✓ Book II: Recording Accounting Transactions
- ✓ Book III: Adjusting and Closing Entries
- ✓ Book IV: Preparing Income Statements and Balance Sheets
- ✓ Book V: Reporting on Your Financial Statements
- ✓ Book VI: Planning and Budgeting for Your Business

- ✔ Book VII: Making Savvy Business Decisions
- ✔ Book VIII: Handling Cash and Making Purchase Decisions
- ✔ Book IX: 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, a few foolish assumptions about who you are had to be made:

- ✔ **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 of becoming one.
- ✔ **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.

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.



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.



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



“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 also get access to more help on the web. There’s a free Cheat Sheet at www.dummies.com/cheatsheet/accountingaio that you can check out from any web-enabled device. It features ten 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.

To dig into some bonus materials, visit www.dummies.com/extras/accountingaio, where you’ll find articles that explain how to

- ✓ Choose accounts for a chart of accounts in your industry
- ✓ Create an audit trail to facilitate the review of your accounting records
- ✓ Adjust your accounting records with accruals and deferrals
- ✓ Make your business an attractive borrower
- ✓ Assess profitability of investments with present value and future value
- ✓ Manage inventory strategically to improve profit
- ✓ Eliminate bottlenecks that increase production costs
- ✓ Evaluate capital spending and opportunity costs
- ✓ Segregate duties to help prevent fraud

Where to Go from Here

Although you’re certainly welcome to read *Accounting All-In-One For Dummies* from start to finish, 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 I to III may be just what you’re looking for. If you’re facing the daunting challenge of preparing financial statements for a business, consult Books IV and V. If you own or manage a business, check out Books VI to VIII for information and guidance on managerial accounting. And if you’re in charge of preventing and detecting incidents of fraud, check out the chapters in Book IX.

