

## INTRODUCTION

Every business organisation, irrespective of the size, nature, form, and ownership undertakes several transactions on the day-to-day basis. It will be difficult for the business owners, managers, and employees to remember such transactions. That explains the need for recording the transactions in a systematic manner. Recording of transactions in systematic and scientific manner is called accounting. One of the ways of understanding the business transaction is to understand the accounting equation. Accounting equation was discussed in detail in the chapter -3.

In this chapter we will understand the following:

- Rules for capturing business transactions
- Process of recording the business transactions