

Section - 2

Ques 2

Ans 2 (a) Final Balance:- Total Balance is part of the accounting process. It shows the debit and credit balances derived from the ledger accounts.

Whereas:

Balance Sheet:- Balance Sheet is the statement that shows the company's financial status by verifying the capital, liabilities and assets at the particular date.

* Credit is not include in trial balance.

The post-closing balance includes only balance sheet accounts.

Operating expenses accounts other accounts such as tax accounts, interest and donations do not belong on a post-closing trial balance report.

(B) Double entry system:- The double entry system can keep complete accounts of transaction as it is based on dual aspects of each transaction i.e. debit and credit are recorded simultaneously. For this reason, this system, maintains accounts of all parties relating to transactions.

* What is double entry system explain its merits and demerits?

Double entry book-keeping is scientific and systematic system of recording the financial transactions of the business.

It helps to know the actual financial position of the business firm.

* What is double entry system and its characteristics? Double entry system are stated below:
Two parties: every transaction involves
The left side of the transaction debit and the right side credit.