

What is an Account ?

An account is a summarised record of the relevant transactions relating to a particular head.

Cash A/c	Sale A/c	Purchase A/c	Amit A/c

There are Three types of Accounts.

- 1. Personal Account :-** Personal Accounts are those accounts which represent persons and organizations.

Example :-

- ✓ Suppliers
- ✓ Customers
- ✓ Corporate bodies and institutions.

There are Three types of Accounts.

2. Real Accounts :- Real Accounts are those accounts which represent assets.

Example :-

- ✓ Buildings
- ✓ Furniture
- ✓ Cash

There are Three types of Accounts.

3. Nominal Accounts :- Nominal Accounts are accounts where income and expenses are recorded.

Example :-

- ✓ Sales
- ✓ Cost of goods sold
- ✓ Salary Expense