

What is Expense?

It is the cost incurred for generating revenue. Example :- wages , rent , Electricity bill.

There are Four types of Expense.

- 1. Prepaid Expense :-** It is an expense that has been paid in advance and the benefit of which will be available in the following year or years,

Example :- advance rent, advance school fee , etc.

There are Four types of Expense.

2. Outstanding Expense :- It is an expense that has not been paid but the benefit thereof has already been availed.

Example :- Electricity Bill, Water Bill , etc.

There are Four types of Expense.

3. Direct Expense :- Direct expenses are directly related to the production of the product.

Example :- Wages , Factory rent , Cost of raw material , Fuel , etc.

There are Four types of Expense.

4. Indirect Expense :- Indirect expenses are not directly related to the production of the product.

Example :- Salary , Telephone bills , Printing , Stationery, etc.

Debtor (जिससे हमें पैसे लेने होते है वह Debtor होता है)

A person who owes amount to the enterprise on account of credit sales of goods or services is called a Debtor.

Creditor (हमें जिसे पैसे देने होते है वह Creditor होता है)

A person to whom an enterprise owes amount on account of credit purchases of goods or services is called a Creditor.

What is Goods?

Goods are the physical items of trade. It is a term that applies to all the items making up the sales or purchases of a business.

What is Voucher?

Voucher is an evidence of a business transaction. Examples of voucher are Cash Memo, invoice Bill, Receipt, Debit/Credit Notes etc.

What is Proprietor?

The person who makes the investment and bears all the risks connected with the business is called the proprietor.

What is Depreciation?

Depreciation is a fall in the value of an asset because of usage or with passage of time or obsolescence or accident.