



# AN INTRODUCTION TO ACCOUNTANCY

By Dr. S N Maheshwari  
&  
Dr. S K Maheshwari

Vikas Publishing House Pvt. Ltd.  
Ninth Edition 2005

Pages. 1161, Price Rs 325/-

*Reviewed By:*  
Ms. Ashima Agarwal  
Faculty

Delhi Institute of Advanced  
Studies

**A**ccounting is a process, which provides qualitative information, primarily of financial nature that is needed to be used in taking economic decisions. But these days, accounting has totally changed its purview. Thus it is more of an information system rather than a mere recording system. Accounting provides information that can be used in order to make decisions affecting the organization's future. The primary objectives of financial accounting are to provide information that is useful in making investment and credit decisions; in assessing the amount, timing, and uncertainty of future cash flows; and in learning about the enterprise's economic resources, claims to resources, and changes in claims to resources.

This book is one of the best sellers available for the students as well as practitioners. The book is logically and strategically divided into five sections: (i) Accounting Principles and Practices (ii) Special Accounting problems (iii) Partnership Accounts (iv) Company Accounts (v) Management Accounting.

Each section has been again sub-divided into a number of small chapters relevant to the section to help the reader gain maximum knowledge about the subject. This facilitates convenience and better understanding. The sequencing of the chapters is done very logically so as to

make the book simpler and reader friendly. This makes the book core text cum help book for various users. The book is designed for classroom use and is also valuable as self-teaching volume for businesspersons engaged in various fields.

Section I: Accounting Principles And Processes deals with the basics of financial accounting. This section covers the concepts of book keeping and provides with an introduction to the accounting functions used by businesses to accumulate, use, and analyze financial data. Emphasis is placed on the preparation, use, and interpretation of financial statements. This section deals with the significance and use of basic accounting concepts as they relate to the principal items contained in financial statements. It gives a basic idea of recording, classifying and summarizing the various transactions so that the student can keep themselves abreast with technological advancements in the area of financial accounting. It focuses on presenting, with great clarity, both the basic concepts underlying financial statements and the terminology and methods that allow students to interpret, analyze, and evaluate actual corporate financial statements.

Section II: Special accounting Problems provides a unique and perfect blend of robust financial statement analysis of various transactions for various specialized agencies such as Consignment, Joint

Venture, Hire Purchase, Lease, etc. The chapters on Branch and departmental accounting help the reader to explore various key areas in preparation of financial accounts of the firm with special reference to the relevant Accounting Standards. The chapter on Inventory valuation helps in understanding the importance of the subject with reference to the latest Accounting Standards.

Section III: Partnership Accounts deals with various aspects of partnership such as admission, retirement, death and amalgamation of partnership. The book evaluates various concepts in a synchronized and user-friendly manner, which assists the reader to grasp the ideas thoroughly. The author uses his varied experience and incorporates his precious views in the problems to get a feel of the real world scenario. All the accounting propositions have been well propounded in the book, which makes it a ready reckon for all time reference.

Section IV discusses the most talked about area in accounts i.e., Company Accounts. Here the chapters have been very strategically selected such as shares and share capital, debentures, final accounts of corporate, internal reconstruction and amalgamation, etc. The scope of these chapters has been very nicely taken care of so that the students might be made aware of the basic working of the same.

Section V focuses on management Accounting which provides necessary information to the management for discharging its functions. The stress lies in the fact that the author convinces successfully as to why management accounting has been considered to serve as a vital tool in decision-making areas. Here the author has dealt in some of the very important topics such as Financial Statement Analysis, Funds Flow Statement and Cash Flow Statement. These topics have been dealt with taking into account the latest Accounting Standards thus making the reader fully aware of the latest changes of the accounting world.

This is a first class reference book that is literally packed with sincere and practical advice from the author. End of Chapter Questions for Discussion and Review are strategically placed in separate boxes within each chapter, immediately after the coverage of the concepts they refer to. This allows students to consider them without disrupting the flow of the text. In every case these questions now refer to a real-world company, event, or situation. Several end-of-chapter Exercises and Problems help students to respond to real-world information or situations.

The authors offer a pragmatic and readable guide that covers the basics as well as recent best practices. The book is written in a simple, interesting, lucid and self-explanatory manner. A good primer, but also a good review of the state of the art. Use it as a reference volume, dip in, learn, digest and apply and you will succeed.