





## Module III. Business

Entrepreneurial  
Finance

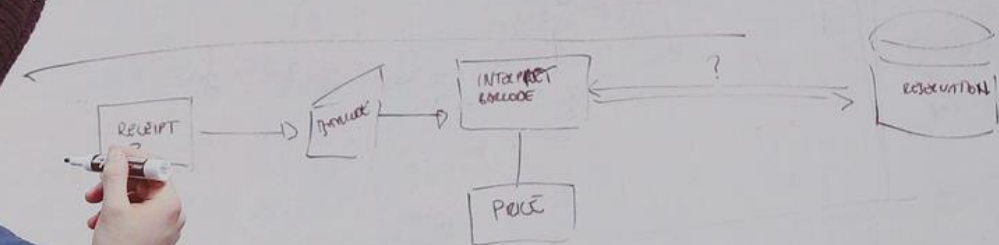
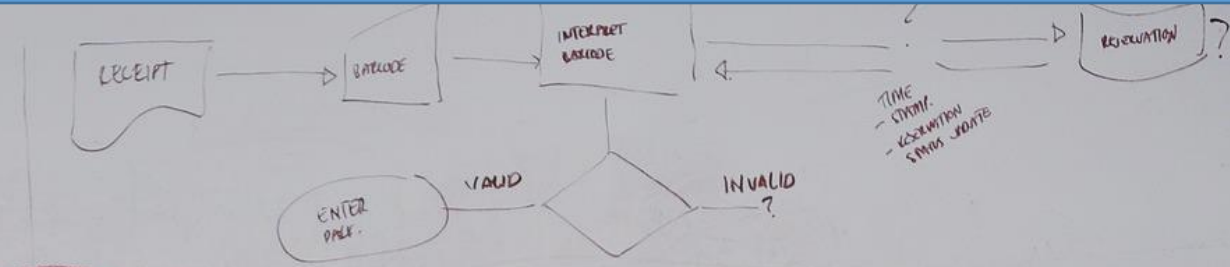
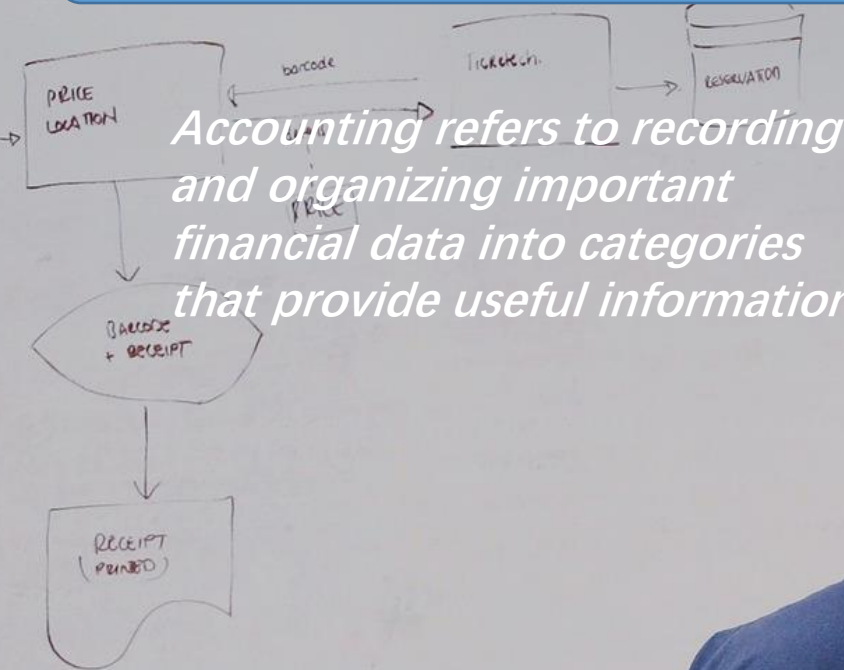
Topic 4. Measuring performance  
in a short term

Lesson 2. Accounting Methods



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*Accounting refers to recording and organizing important financial data into categories that provide useful information.*



**Accounting is also a common language of business**



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Once the topic is  
completed and approved,  
learners will be able to...



**Understand accounting methods**



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*In this lesson, we  
will learn..*

- ✓ More about accounting and its importance



# Chart of Accounts

Basic building blocks of the accounting system. It is a list of all the accounts in the business.



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# Accounting Methods

Cash accounting method

Accrual accounting

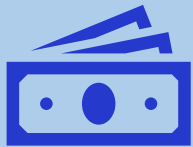


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# Cost Of Goods Sale

For non-manufacturing businesses:



$$\text{COGS} = \text{Beginning Inventory} + \text{Purchases} - \text{Ending Inventory}$$

For manufacturing businesses:



$$\text{COGS} = \text{Beginning Inventory} + \text{Costs of Labor} + \text{Costs of Materials and Supplies} - \text{Ending Inventory}$$





## *Conclusions*

**Accounting is very important because it allows a company to track every aspect of its finances, from income through expenses to taxes and more.**



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