

# Accounting and Bookkeeping Workshop for Beginners – Part 2

---

## Why is accounting important to understand?

Accounting is the most important part of any successful business. **It records all profits, losses, credits, and debits.** It tells you the state of the business in numbers, not words. It provides the most vital information you need to understand how your business grows, makes money, where the profit of a business goes, and what your cash flow is. In short, if you do not understand the basic principles of accounting, you cannot run a business, nor can you even hope to help a business grow and profit.

If you work for a company and are currently managing any aspect of the company, or if you aspire to move up to management, then you need to understand what accounting is. Moreover, if you are an entrepreneur, or you ever plan to start your own business, you need to understand, at the very least, the basic principles of accounting.

This course is going to help you understand the basic principles of accounting so that you can read and understand the three main financial reports of a company: the **balance sheet**, the **income statement**, and the **cash flow statement**. Moreover, you'll know and understand the basic accounting equation and how to factor in debits, credits, inventory, and taxes, which will help you to make the right decisions to increase your company's wealth and profit.

In this course, we take everything in baby-steps. We assume you know nothing about accounting or any accounting terms. We strive to explain all accounting concepts in every day language, using real-life examples wherever possible. Additionally, we've set up the course so that you need to master all concepts in any given lesson before you can successfully complete the lesson and move on. As such, this course is built incrementally. You

need to understand each previous lesson fully in order to understand the concepts covered in later lessons.

Learning accounting is like any new skill. There is a learning curve, and the skill needs to be practiced (or used in this case) in order for it to be effective. If you have access to your company's financial statements, please take the time to apply our examples to your company's financials. If you are an entrepreneur, a business owner, or plan to start your own business, copy our examples used in this course, using your own business relevant assets.

Those of us who are born as right-brain thinkers tend to be better at creative, imaginative, passionate activities. Then there are those of us who are left-brain thinkers--naturally adept at working with numbers, applying logical reasoning, and analytically solving problems.

Regardless of which category you fall into, the truth is that anyone can learn the basic principles of accounting and develop a knack for managing the financial aspects of a business. The upside of learning basic accounting principles is that, regardless of whether it is a large Fortune 500 company or a small entrepreneurial start-up, the same fundamental rules apply when working with the bottom line.

Understanding the basics of accounting can make the difference between success and failure in so many different areas of life.

Financial reports, balance sheets, reconciling bank statements – and the ability to create, interpret and implement them – are all tools we can't afford to ignore.

Large companies and wealthy individuals can afford to hire CPAs and bookkeepers to take care of the details for them. The rest of us, however, have to learn to master the essentials of accounting in order to get ahead in the game.

We might as well face it, **accounting is the language of business**. If we can't speak it, read it or understand it, should it come as any surprise that we aren't able to get ahead in the game?

Fortunately, there's no reason that you or your business should have to fall behind any longer. Enrollment is always open, so act now to start getting ahead. If you're in search of a course that will lay the basic groundwork of accounting, bookkeeping and finance for those of us NOT pursuing a specialized career in any of these fields, this is it. It's self-paced, but the course work and assignments are intensive enough to prevent you from just "winging it".

The overall course is broken down into 24 lesson plans, all of which work together to achieve several very important goals and objectives.