

## Introduction to Accounting

Accounting is a way of \_\_\_\_\_

It is a system to \_\_\_\_\_ business and financial transactions

There are ancient tax records from Mesopotamia and Egypt that date back as early as 3300-2000 BCE

The idea of book keeping most likely emerged out of a necessity for a  
\_\_\_\_\_

Ledgers or records of transactions were initially \_\_\_\_\_ and read like  
\_\_\_\_\_

Monday, May 12: In exchange for three chickens which I provided today, William Smith (labourer) promised a satchel of seeds when the harvest is completed in the fall

Wednesday, May 14: Sam Thompson (craftsman) agreed to make one chest of drawers in exchange for a year's worth of eggs. The eggs are to be delivered daily once the chest is finished

If a dispute occurred over an agreement, the ledgers would be presented as  
\_\_\_\_\_

This was essential as there could be \_\_\_\_\_ between the agreement and the exchange of goods/services

When \_\_\_\_\_ began to develop, bookkeeping also evolved to document these new transactions

Once currency was involved, bookkeeping became more focused on \_\_\_\_\_ rather than simply \_\_\_\_\_

Not every merchant was able to complete these \_\_\_\_\_ so they began to employ bookkeepers or accountants

This change occurred during \_\_\_\_\_

Although more mathematically focused, these early bookkeepers used  
\_\_\_\_\_

Entries still used stories as descriptions, however, they also recorded the amount  
\_\_\_\_\_

This is similar to modern \_\_\_\_\_

This was a \_\_\_\_\_ method of book keeping

Date	Details	Amount
Monday, May 12	Purchased one sack of seeds	-\$48.00
Monday, May 12	Sold three chickens	+\$48.00
Wednesday, May 14	Purchased a chest of drawers	-\$900.00
Wednesday, May 14	Sold one year's supply of eggs	+\$900.00

The bookkeeper had to read the \_\_\_\_\_ of each item to determine if it was a \_\_\_\_\_

Those studying bookkeeping began looking for a better way

In 1458, Cotrugli invented a \_\_\_\_\_ accounting system

Double entry accounting is any booking that involves both \_\_\_\_\_ for transactions

In 1494, \_\_\_\_\_ wrote "The Collected Knowledge of Arithmetic, Geometry, Proportion and Proportionality" which was the first published work to include double entry book keeping

Pacioli is known as the \_\_\_\_\_

He was also a close friend and teacher of Leonardo \_\_\_\_\_

The first professional accountants were established in Scotland in \_\_\_\_\_

The organizations were granted a royal charter and could then call themselves \_\_\_\_\_