**Pakistan School, Kingdom of Bahrain**

**E- Support and Learning Material / Session 2020-2021**

**Subject: Accounting Grade : 12**

**Book:Principles of Accounting-II FIRST TERM**

 **Unit 1: Single Entry System**

**Single**-**Entry System**

The **single**-**entry** approach is very similar to the check register that individuals use to keep track of checks, deposits, and balances for a personal checking account. In both cases, users merely record the date, amount, and name of each transaction.

**Difference b/w single entry and double entry**

**In a single entry** system, only **single entry** is recorded which can be either debit or credit transaction. On the other hand, **double entry** system has a **double** recording method in each transaction. This means that for every debit record there is a corresponding credit **entry** and vice versa.Ma

**Disadvantages Of Single Entry System**

**1.Unscientific And Unsystematic**

**2. Incomplete System**

**3. Lack Of Arithmetical Accuracy**

**4. Does Not Reflect True Profit Or Loss**

**5. Does Not Reflect True Financial Position**

**6. Frauds And Errors**

**Difference between net worth method and conversion method:**

The **net worth method** is a calculation based on a person's assets, liabilities, living expenses, and income. By taking a person's assets less their liabilities we can determine their **net worth** for the current year. Then if we subtract their prior year's **net worth** we can determine their **net worth** increase

The **conversion method** involves **converting** your accounting from a single-entry system to a double-entry system. Small businesses usually start out by using single-entry bookkeeping. This **method** is a simpler way to track their income and expenses.

**Difference between Balance Sheet and Statement of Affairs**

