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Book Review Open Access

Book Review 'Perakaunan dan Kewangan untuk Bukan Akauntan' (Malay Version)

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Introduction

Information is a valuable resource than money. However, with the availability of information only without the knowledge to use it will not provide any benefit to someone. Recognizing this, the book was written to introduce accounting knowledge to readers who have never attended a course in accounting in any institution before to enable them to understand and use accounting information. Complexity science in accounting has been trying simplified descriptions in this book to enable every reader regardless of their level of education and background, understand the in-depth knowledge. The book is inspired by the author when he taught accounting courses for students from non-business or accounting department. The approach used in this book assumes students have no basic knowledge in accounting knowledge. So when writing this book the author tried to avoid introducing too technical accounting.

Description in the book covers aspects of recording, accounting, prepare financial statements, analyze the information and how to use accounting information in making business decisions. Two major groups of accounting namely financial accounting and management accounting discussed in greater detail in this book. Some examples of questions for each chapter are also included in this book to enable readers to make self-training to ensure that the concepts they have learned can be understood.

The main goal of Chapter 1 is to introduce environmental accounting to students rather than the accounting department. This chapter explained that the purpose of accounting is to provide quantitative information to information users to enable them to make decisions. Users of accounting information consist of two main groups of users namely external and internal users. Accounting information provided should follow the principle, assumptions and limitations that are determined to ensure consumers are protected and to ensure consistency of accounting information provided in different industries and countries. While accountants are given the freedom to use and interpret these principles, but it is impossible assumptions such timeframe assumptions, unit of currency assumptions and hypothetical entity is not used.

The recording of accounting information process usually starts from journal entries, posting journal entries to ledger and the preparation of financial statements. With the advent of computerized accounting information systems, many of these measures are no longer done manually. However, knowledge of accounting processes can help someone to understand and better appreciate accounting. Before the financial statements are provided for the current accounting period, the accounts need to be coordinated in advance. It was to meet on an accrual basis on which revenue and expenses are recognized in the period they occur and not necessarily when cash is received or paid.

Chapter 5 touches on the preparation of the financial statements and thus completing the steps in the accounting cycle. The financial statements are prepared to provide information to users of accounting information about the financial position and profitability of a business. Chapter 6 exposes readers to accounts in an organization that does business merchandising. Business services revenue generating operations through the provision of services and merchandising business selling goods real (physical). Generally, the process of accounting for all three types of business organizations such as sole proprietorships, partnerships and corporations are the same. However, there are some differences in the recording business formation, business income distribution, cover note and the information in the balance sheet for the different business organizations.

In addition to the income statement and balance sheet, statement of cash flow is also one of the financial information that is useful to users of financial statements. Statement of cash flow will be able to provide information to decision-makers to make predictions about the cash flow of the business in the future, assess decision-making by management, view management's ability to pay off the debt to investors and creditors and see the changes in the cash business. Chapter 9 describes some of the ways consumers can make judgments about the performance and financial position of the business by using the information in the financial statements. Some forms of analysis have been presented including horizontal analysis, vertical analysis and ratio analysis.

Management accounting is to provide information to assist management in carrying out the functions of planning, control and decision making. Break-even point analysis can be used to examine the relationship between information costs, unit production and profits in the manufacturing operations. This information is important for planning production activities that companies were not at a disadvantage. Budget is defined as the provision of statements of business. Budgeting is important to help the organization achieve what was planned. Budgets are intended for planning, coordination and so on as a means of control of an organization. The capital budget is an important tool for the management of a business. Using the rules of correct assessment, managers can ensure that the waste does not occur; only assets that really can only be purchased returns. There are several methods of valuation in the capital budget and each has advantages and disadvantages. Generally the rules of the discounted cash flow are better and provide a more accurate assessment because these methods take into account changes in the value of the currency from one year to the other.

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