

Example of essay on importance of keeping accurate records

[Finance](#), [Investment](#)



Introduction

Keeping accurate records is vital for the success of any business. Business people are aware of the fact that records kept are one of the most important management tools that are at their custody and therefore they allocate due importance to records. It would have been very hard and confusing to run a business without keeping records since it would not be possible to access the past, present and future performance of the business (Kimmel 12) . The business owner will therefore be running a ‘ blind business’. However, many business owners invest a lot of their time, money and efforts to run their businesses yet they fail to realize the significance of maintaining good records. Since the business owner is out to make maximum returns from investments, maintaining good records is actually part of the equation (Marshall 09).

Records help in planning. Keeping accurate inventory records will enable the saloon owner to have data that will tell him whether they can take on client requests or particular projects with the inventory at hand. You will always be updated on when you will need to order new items. You will also be in a position to review inventory records to identify future trends and make basic predictions of the stock that is likely to run out fast. For instance, the salon owner will be able to realize that items such as blow dryers and jellies will run out fast hence their stock needs to be updated. This enables the salon owner to plan and strategize. This will also develop and sustain good relationships with the clients who will see that you have a specific plan of carrying out your operations.

Records are necessary since they help in controlling expenses (Elad 45). It

may not be possible for the salon owner to keep track of all their items in their head. This may lead to loss of some items yet the salon owner may not realize on time. Some debtors may also escape meeting their obligations if proper records are not put as a source of evidence. Keeping records therefore enables the salon owner to keep track of their items, avoiding theft cases in the salon and ensure that clients meet their obligations.

Accurate records will help the salon owner to quickly identify where problems could arise and take immediate action to prevent the occurrence of problems whose occurrence will adversely affect the salon. This helps in avoiding or reducing the occurrence of uncertainties that would otherwise have led to the reduction of business resources and profitability. Records also reflect the use of business resources. Keeping the correct records will enable the salon owner to monitor business resources and ensure that they are used in the most prudent manner (Marshall 21). It also gives the salon owner an easy time in running the business since the records will reflect the value of particular items as at specific dates.

Accurate records provide information that will enable the control of cash in the salon. The salon owner will know whether there is enough cash or not. This will enable them make decisions on whether to allow their clients to buy on credit or not. This will also help to prevent the business from running out of cash as well as monitoring the business performance to determine if it is in line with the projected performance.

In a nutshell, for a business to succeed, the owner has no other option rather than to keep the accurate records. This will help in planning, controlling expenses, clients, stock and resources, and also in determining the value of

any asset at a given time. This makes it easy to run the business and chances of such a business succeeding are high.

Works cited

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