

Business idea

Business



It is very important to have accountant in your business. In video Maureen Costello said if you don't have understanding of accounting that your business will fail. The important of accounting is to control money. She stated how cash is important for business even if you have profit coming in but you don't have cash your business will fail. 2. Why are financial statements important? Financial statements are very important for IRS. Make sure you paying taxes on your business and you need to have statement for all the money that is coming in business and out business.

Also Finances statements are important for banks if you asking for loan. It is important to give prove of your income and run of your business to be approved for that loan. 3. Using the information presented in the video and the material from Chapter 13, discuss at least three other ways in which accounting knowledge can benefit a small business owner or entrepreneur. Accounting can benefit business from fraud and waste of money. If you have bank statement that don't match with your checks books you can see if someone changed you extra then they should so you can stop future problems.

For example, at my job there was lady who cashed same check twice and company didn't know until end of the month when they were doing analyzes on money going out. Other reason why accounting can benefit small business owns is to determent salaries, paid time off, vacations, sick days, benefits, if they can hire more people, and other things when it comes to employees. Also accounting can help you make decision for future of your company. For example, if you want to make your business bigger account

can help you make decision what you can afford and what you can't to make your business bigger.