

Lecture - 3

Basic Terminologies Part-2

Asset : Asset means those element which is

- * Under full control of an organization
- * Acquire from past effort
- * By which future economic benefit will be possible
- * Can be measure in monetary terms.
- * Example : your school Building i.e. under full control in your school , purchase by your school by earn money from past and by which your school will earn benefit in future by way of fees . other example Land, machinery, furniture.

Types of Assets

I. Current Assets

2. Non-Current Assets

I. Current assets are those that will be converted to cash within one year. Typically, this could be cash, inventory or accounts receivable. Along with this it gives benefit for a period up to one year only.

II. Non-Current Assets are long-term and will likely provide benefits to a company for more than one year, such as a real estate, land or major machinery.