

Strategic Insights

Chapter 6: Accounting



"The language of business and the smooth driving mechanism of the ecc

LEARNING ROADMAP

-  Definition and purpose of accounting
-  Financial Statement Users and Data Requirements
-  Accounting Framework
-  Recording to Closing
-  Preparation of Financial Statements
-  Digital Accounting: AI & Cloud
-  ESG Reporting: Accounting Sustainability

Definition of Accounting: Science and Art



W.A. Paton

"Facilitating the smooth running of the economy" It serves to interpret business activities in monetary terms.



AICPA Artistry

"The art of collecting, taking notes, categorizing, Conclusion and interpretation of financial transactions."



Modern Context

Being a "strategic advisor" who uses analytical data to predict the future, not just taking notes of the past.

ACCOUNTING WORKFLOW: From Trade List to Analytics



Recording

Write down the daily entries in the Journal.



Classifying

Categorize through Ledgers



Summarizing

Summary of information in the form of financial statements



Interpreting

Analyze data for future strategic planning.

Strategic Objectives of Accounting

- Financial Integrity: Keep an orderly record of trade entries in chronological order.
- Performance Analytics: Know your profit -loss and true financial position.
- Internal Control: Prevent fraud and asset loss.
- Compliance: Comply with legal and tax regulations.



Financial Statement and Value Creation Users

Data User Groups	Master Data Requirements	Strategic Decisions
Investors/Shareholders	Risk, Reward and Dividends Liquidity and solvency	Buy, sell, or hold investments. Consideration of lending and interest rates
Creditors / Lenders	Risk, Reward and Dividends Liquidity and solvency	Buy, sell, or hold investments. Consideration of lending and interest rates
Executives	Risk, Reward and Dividends Liquidity and solvency	Buy, sell, or hold investments. Consideration of lending and interest rates
Employees	Risk, Reward and Dividends Liquidity and solvency	Buy, sell, or hold investments. Consideration of lending and interest rates

FINANCIAL VS. MANAGERIAL ACCOUNTING

Financial Accounting

Emphasis is placed on providing accounting standards (TFRS) for "external" users for transparency and international auditability.

Managerial

It is prepared according to the appropriateness of the "management" to be used as a secret tool to gain a competitive advantage.

Professionalism. Bookkeeper

According to the Accounting Act B.E.2543, accountants must have the appropriate code of ethics and qualifications:

- Prepare accounts to meet reality and standards.
- Maintain information confidentiality of the organization. According to the Accounting Act B.E. 2543, accountants must have the appropriate code of ethics and qualifications:
- Knowledge of AI technology and changing taxes

"Accountants are the navigators of the financial sea."



แบบทการบัญชี (CONCEPTUAL FRAMEWORK)

วัตถุประสงค์

เพื่อใช้เป็นกรอบแนวคิดในการจัดทำบัญชี
ให้มีความถูกต้องและเชื่อถือได้
และเป็นที่ยอมรับโดยทั่วไป

ลักษณะเชิงคุณภาพ

บัญชีต้องสะท้อนความเป็นจริงอย่างเที่ยงตรง
และปราศจากการบิดเบือน
(Faithful Representation)

เกณฑ์คงค้าง

บัญชีต้องจัดทำขึ้นตามเกณฑ์คงค้าง
ที่รับรองโดยคณะกรรมการ
(Accrual Basis)

PHASE 1: RECORDING & JOURNALIZING

Double Entry

Debit (Dr.): Left - Increased Assets / Reduced Liabilities / Reduced Equity

Credit (Cr.): Right - Reduced Assets / Increased Liabilities / Increased Capital

Accounting Equations:

$$\text{Assets} = \text{Liabilities} + \text{Capital}$$



PHASE2: CLASSIFICATION (THE LEDGER)

General Ledger

A ledger that collects all ledger accounts to keep track of all changes.

Categorization

Separate items of the same type (cash, receivables, payables) for order.

Posting Reference

Referencing the account page so that traceability back to the source (Audit Trail)

PHASE 3: TRIAL BALANCE (งบทดลอง)

Statements made to prove the accuracy of accounting according to the principle of double accounting.

The total debit amount must always be equal to the credit!

- Check for initial errors
- It is used as a basis for the preparation of financial statements.
- Assists in closing accounts at the end of the period.

Strategic Check:

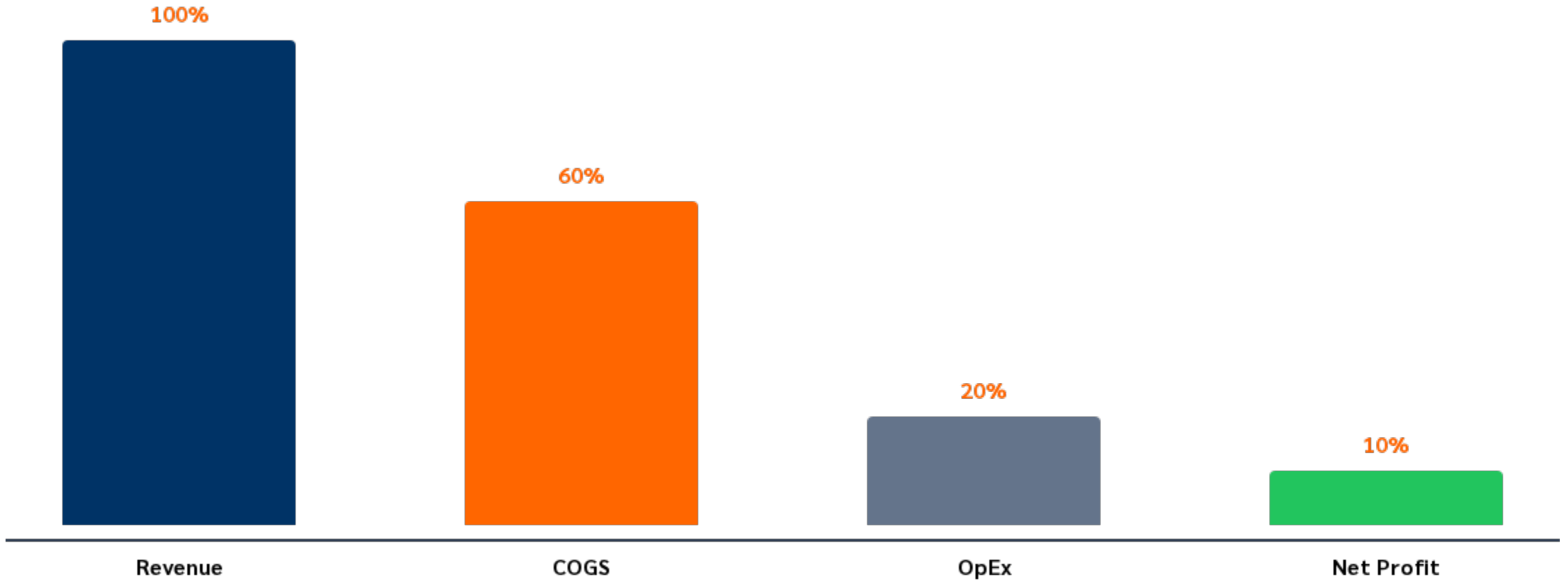
If the trial budget is not reasonable. It indicates that there is an error in the posting process or the calculation of the balance, which must be checked immediately.

BALANCE SHEET

Assets	Liabilities and Equity (L+E)
Current assets: cash, receivables, inventories	Current liabilities: trade payables, short -term loans.
Non-current assets: land, buildings, equipment	Long-term liabilities: debentures, bank loans.
Intangible assets: copyrights, patents	Owner: Capital, Retained Earnings

"Snapshot of Wealth"

INCOME STATEMENT



Net Profit = Revenue - Expenses

ACCOUNTING AI & AUTOMATION 2026

- ⚡ Real-time Reporting: Cash inflow data is updated second by second.
- ⚡ Predictive Cash Flow: AI Forecasts Cash Flow 6 Months Forward
- ⚡ Zero-Touch Bookkeeping: 100% automated account entry from slips and invoices.



ESG & SUSTAINABILITY REPORTING



Accounts for a Sustainable World

Currently, investors don't just look at profit figures, they want to see non-financial data:

- **Environment:** Carbon emissions and resource use
- **Social:** Employment Ethics and Social Responsibility
- **Governance:** Transparency and Anti-Corruption

Questions & Discussion

"Accurate accounting is the foundation of a strong strategy."

Strategic Insights by A. Kawin



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