

## Difference Between Book-Keeping, Accountancy and Auditing

The main differences between book-keeping, accountancy and auditing are as follows:

1. Nature: Book-keeping is concerned with recording of business transactions. It is clerical or mechanical in nature.

Accountancy is concerned with classification and summarisation of those transactions. It is semi-analytical in nature.

Auditing is concerned with an analytical and critical examination of financial records. It is analytical in nature.

2. Object: The object of book-keeping is to merely record the business transactions.

The object of accountancy is to compile and analyse business results.

The object of auditing is to examine the books of accounts to state whether it is true and fair.

3. Sequence : Book-keeping comes first then accountancy and auditing comes in last.

4. Knowledge of the Subject : The book-keeper has only elementary knowledge of accounting principles and book-keeping. An accountant should have knowledge of book-keeping and accountancy techniques. An auditor is required to have good knowledge of book-keeping, accounting and audit techniques.

5. Employer and Employee Relationship : A Book-keeper is an employee of the management. An accountant may or may not be an employee but an auditor cannot be an employee. An auditor is an independent person.

These are few differences between book-keeping, accountancy and auditing.