20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **AFM (Accounting & Financial Management for Bankers) is JAIIB Paper 3.**
   It is described as the practical, numbers-heavy paper among the four JAIIB papers.

2. **There are three types of accounts in accounting: Real, Personal, and Nominal.**
   Correctly identifying the account type is essential before applying the golden rule for a journal entry.

3. **The golden rule for Real Accounts is: Debit what comes in, Credit what goes out.**
   Real accounts cover all assets of a firm, whether tangible or intangible.

4. **The golden rule for Personal Accounts is: Debit the receiver, Credit the giver.**
   Personal accounts relate to individuals, firms and companies such as debtors, creditors and banks.

5. **The golden rule for Nominal Accounts is: Debit all expenses and losses, Credit all incomes and gains.**
   Nominal accounts relate to expenses, losses, incomes and gains rather than physical items.

6 **Tangible real accounts include assets like building, machinery, stock and land.**
These are physical assets you can touch, falling under the Real Account category.

7 **Intangible real accounts include items like goodwill, patents and trademarks.**
These are non-physical assets that are still classified as Real Accounts.

8 **Personal accounts have three sub-types: natural, artificial and representative personal accounts.**
Natural accounts relate to real people, artificial to legal entities, and representative to indirect person-related accounts.

9 **Representative personal accounts include prepaid expenses, outstanding expenses and accrued income.**
These accounts indirectly represent a person or entity rather than a named individual or firm.

10 **The Double Entry System means every debit in one account has a matching credit in another account.**
This ensures money is recorded as moving between accounts rather than appearing or vanishing.

11 **The five steps of the accounting process are recording, classifying, summarising, preparing final statements, and analysing.**
These steps move from the Journal and Ledger through to Profit & Loss, Balance Sheet, and ratio analysis.

12 **Bookkeeping is the recording, classifying and summarising of financial transactions systematically.**
It forms the data-entry layer of finance, distinct from the wider analytical scope of accountancy.

13 **Accountancy includes bookkeeping plus the analysis and interpretation of financial records.**
Bookkeeping records data; accountancy makes sense of that recorded data.

14 **The four branches of accounting are Stewardship, Financial, Cost, and Management Accountancy.**
Each branch serves a different purpose, from historical record-keeping to planning tools like ratio analysis.

15 **Cost Accountancy ascertains the cost of each unit, department and process to control cost and raise profit.**
It focuses specifically on cost control rather than general financial record-keeping.

16 **Management Accountancy uses tools like Ratio Analysis, Cash Flow, Fund Flow and Capital Budgeting.**
These tools support internal planning and decision-making rather than external reporting alone.

17 **Financial Accounting evolved from the Single Entry system to the Double Entry system.**
This evolution improved the systematic recording of business transactions over time.

18 **The Trial Balance is the statement used to summarise ledger balances in the accounting process.**
It comes after journal entries and ledger posting, before final statements are prepared.

19 **A recommended AFM preparation timeline is about 45 days of roughly one focused hour per day.**
This schedule is suggested as sufficient for most JAIIB AFM aspirants when studied consistently.

20 **Depreciation, interest calculation, ratio analysis and bond or yield sums are described as recurring AFM numerical topics.**
These numerical topics are said to repeat almost every JAIIB exam cycle.