

Bookkeeping	Accounting	Bookkeeping
Definition	1. Bookkeeping is mainly related to the process of identifying, measuring, recording, and classifying financial transactions. www.Accountingcapital.com	1. Accounting is the process of summarizing, interpreting, and communicating financial transactions that were classified in the ledger account as a part of bookkeeping
Stage	2. It is the beginning stage and acts as a base for accounting	2. Accounting begins where bookkeeping ends.
Management Decisions	3. Management cannot make decisions based on bookkeeping.	3. Management can make decisions based on accounting.
Objective	4. The objective of bookkeeping is to keep proper and systematic records of financial transactions.	4. The objective of accounting is to ascertain the financial position and further communicate the information to the relevant parties.
Financial Statements	5. Financial statements are not prepared during bookkeeping.	5. Financial statements are prepared based on records obtained through bookkeeping.
Skill Level	6. Bookkeeping does not require any special skills, as it is mechanical in nature.	6. Accounting, on the other side, requires special skills due to its analytical and somewhat complex nature.