



## Need of Agriculture Farm Accounting: An Empirical Study

### KEYWORDS

**Dr. Ajay Upadhyay**

Principal, Nachiketa institute of management and information technology, Patan bypass, Jabalpur (m.p.)

**ABSTRACT** *In India agriculture income is tax free with some conditions. But assessing officer want to see the record that it is essential for former to produce the Accounts. Therefore it is advisable to all big farmers to maintain the agriculture accounting books. when we compare the development of this subject with Germany & U.S.A .it is state that it is infant stage in that countries. The people are still demanding that agriculture should be treated as industry in India.*

### INTRODUCTION :

Mahatma Gandhi said that the soul of India is living in villages. The problem of water , power and the manpower making the farming uncertain in India. Hence the farmers are still poor in India. But

Acceptations are every ware and in india , some of the farmers are also very rich. Therefore it is very necessary to force them to make farm Accounting. And turn the farming into industry.

The food grains are providing people for their livelihood and the foreign currency is earned by exporting the food grains . the high labour employment is also provided by the farming.

It is essential to maintain accounts of agriculture farm. Thought agriculture income is tax free in india. Subject to certain stipulation. An accessioning officer may call for information on agriculture income. No doubt, an average farmer in our country is illiterate. Illiteracy is not an excuse to avoid accounting.

### Objectives of Study

The main objectives of this study are,

1. Why farm accounting is not popular in agriculture farms.
2. How agriculture can be turned in to industry through farm accounting.

### Accounting Techniques –

From the small farmers we except that he should keep in income & expenditure record to assess his financial position. But it is not enough for a big farmer. He should keep his record according to various accounting tools & techniques. These are –

1. Financial Accounting – In Financial account he should create ratio analysis, trend analysis etc.
2. Cost Accounting – In Cost Account he should keep cost analysis, process costing etc.
3. Management Accounting – This is a decision making accounting hence farmer should maintain the budgetary accounting, standard accounting, marginal costing, stock analysis including ABC analysis.

### Conclusion –

In Indian villagers literacy rate is very low. Among youth 49% are touching the literacy rate. As we know 63% Indians are depending on agriculture and most of the villagers are employed in this sector.

A big farmers wealth is as good as small scale industries. But he has not maintaining his accounting system. If a good developed farm accounting is use then the present scenario of agriculture will change.

### REFERENCE

1. Agriculture in India – Wikipedia website | 2. Advanced Accounting - Shukla & Grewal – (S.Chand & Company) | 3. Study Material of IGNOU.