Click on Start and then find the entry for My Computer and Right Click on it. If you do not find the entry in your start menu, you may find the My Computer icon on your desktop.

Next, Left click on properties:
The resulting window will tell you the version of windows installed and the Service Pack Level:
System:
Microsoft Windows XP
Professional
Version 2002
Service Pack 2

Registered to:
Rutgers Business School
Rutgers University
76487-OEM-0011903-00102

Computer:
Intel(R)
Pentium(R) 4 CPU 3.40GHz
3.39 GHz, 0.99 GB of RAM
Physical Address Extension