



Activity 4

Indicate whether a debit or credit will decrease the normal balance of the following accounts. (Using ✓ in the appropriate column.)

No.	Account title	Decreases in	
		DR	CR
1	Supplies		
2	Lands		
3	Fees Earned		
4	Cash		
5	Building		
6	Services Revenues		
7	Prepaid Insurance		
8	Capital		
9	Motor Van		
10	Interest Payable		
11	Drawings		
12	Notes Receivable		



Activity 5

Identify whether a debit or credit yields the Indicated change for each of the following accounts.

No.	Accounts	Answer
1	To increase furniture	
2	To increase account payable	
3	To increase capital	
4	To increase Drawings	
5	To increase building	
6	To decrease machines	
7	To decrease loans	
8	To decrease cash	
9	To decrease notes receivable	
10	To increase revenues	





Activity 6

Selected transactions for Essa Company in his first month of business are as follows.

- Jan. 01 Invested BD40,000 cash in the business.
- Jan. 03 Purchased furniture on credit for BD3,500.
- Jan. 05 Billed customers BD6,200 for services performed.
- Jan. 07 Paid cash BD1,500 to creditor purchased on Jan. 3.
- Jan. 10 Paid BD800 cash for repair expenses.
- Jan. 12 Received BD2,200 cash from customers billed on Jan. 5.
- Jan. 15 Withdrew BD1,600 cash for personal use by owner.

Required:

For each transactions, indicate the following.

- (a) The basic type of account debited and credited (Assets, liability, Owner's Equity).
- (b) The specific account debited and credited (cash, Capital, Repair Expenses, Services Revenues, etc.).
- (c) Whether the specific account is increased or decreased.
- (d) The normal balance of the specific account.



Use the following format, in which the January 1 transaction is given as an example.

Date	Account Debited				Account Credited			
	Basic Type. (a)	Specific Account (b)	Effect (c)	Normal Balance (d)	Basic Type. (a)	Specific Account (b)	Effect (c)	Normal Balance (d)
Jan.1	Assets	Cash	Increase	Debit	Owner's Equity	Owner's Capital	Increase	Credit
Jan.3								
Jan.5								
Jan.8								
Jan.10								
Jan.12								
Jan.15								

