

Final Revision

Principle of Accounting

ACC 111



Prepared by:

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Learning Objectives:

Accounting Equation

Accounts Classification

Basic Accounting

Double Entry System

Ledger / T-accounts

Trial Balance

Income Statement

Owner's Equity / Balance Sheet

Accounting Equation

مجموع استثمارك الشخصي والديون
يساوي ممتلكات الشركة

$$\text{ASSETS} = \text{LIABILITIES} + \text{OWNER'S EQUITY}$$

$$\text{الأصول} = \text{الالتزامات} + \text{حقوق الملكية}$$

Example:

Assets (A)	=	Liabilities (L)	+	Owner's Equity (OE)
BD 20,000	=	BD 8,000	+	BD 12,000

A. Find the missing figures

Assets (A)	=	Liabilities (L)	+	Owner's Equity (OE)
95,000	=	5,000	+	90,000
99,000	=	7,000	+	92,000
50,000	=	22,000	+	28,000

تجمع اللي في نفس الجهة وتطرحهم من
الموجودين في الجهة الثانية

B. Find the missing figures :

Assets (A)		=	Liabilities (L)	+	Owner's Equity (OE)
Cash	Supplies	=	A/c Payable	+	Capital
8,500	13,600	=	6,900	+	15,200
24,000	31,650	=	25,420	+	30,230
16,499	31,700	=	22,799	+	25,400

Accounts Classification

بعض التعاريف التي يمكن أن تأتي في سؤال وصل

Word	Definition
Assets	Anything the business can own and control
Liabilities	The Obligations of the Company / Claims against the assets
Owner's Equity (Capital)	The owner's claims on total assets / investment made in the business by the owner
Revenues	Results from sale of goods and performance of services (Increase the Capital)
Expense	The cost paid to get service from the others / the cost of doing business (Decrease the Capital)
Drawings	owner may take (withdraw) cash out of the business for private use (Decrease the Capital)
Debit	Normal balance side for: Assets (A), Drawings (D), Expense (E)
Credit	Normal balance side for: Liabilities (L), Capital (C), Revenue (R)

ALCDRE

Assets (A)	الممتلكات/ الموجودات	Liabilities (L)	الديون
Cash	نقود	Notes Payable	أوراق دفع
Supplies	معدات	Loan	قرض
Equipment	معدات	Interest Payable	فوائد مستحقة
Land	أرض	Wages Payable	رواتب مستحقة
Account Receivable Debtors	سلف لك	Account Payable Creditors	سلف عليك
Inventory	مخزون		
Prepaid insurance	تأمين مسبق الدفع	Owner Equity (OE)	حقوق الملكية
investment	استثمارات	Capital	رأس المال
Furniture	أثاث	Revenue	إيرادات / أرباح
Truck	شاحنة	Expense	مصاريف
Building	مبنى	Drawing	سحوبات شخصية
Car	سيارة		
Machines	آلات		
Premises	منشآت		
Computer	كمبيوتر		
Vehicles	مركبات		

Expense (E)	المصروفات	Revenue (R)	الإيرادات
Rent Expense	أجارات	Rent Revenue	أجارات
Wages / Salaries	رواتب	Service Revenue	إيرادات / أرباح
Advertising Expense	إعلانات	Sale Revenue	مصاريف
Insurance Expense	تأمين	Commission Income	عمولة
Utility Expense	الكهرباء والماء	Fees Earned	مستحقات
Supplies Expense	معدات		
Interest Expense	فوائد		

A. Classify each of the following accounts by ticking the appropriate section

No.	Accounts	Assets (A)	Liabilities (L)	Owner's Equity (OE)
1	Debtor	✓		
2	Accounts Payable		✓	
3	Drawings			✓
4	Cash	✓		
5	Service Revenue			✓
6	Capital			✓
7	Salaries Expense			✓
8	Equipment	✓		

B. Classify each of the following accounts by ticking the appropriate section

No.	Accounts	Assets (A)	Liabilities (L)	Owner's Equity (OE)	Revenue (R)	Expense (E)
1	Debtor	✓				
2	Accounts Payable		✓			
3	Drawings			✓		
4	Cash	✓				
5	Service Revenue				✓	
6	Capital			✓		
7	Salaries Expense					✓
8	Equipment	✓				

C. Classify each of the following items as an Assets (A), Liabilities (L), Owner's Equity (OE), Revenue (R), Expense (E):

Items	Classification	Items	Classification
Advertising	E	Fees Earned	OE
Motor Vehicle	A	Withdrawals	OE
Notes Payable	L	Cash	A

Basic Accounting

A. Show the effect of the following financial transactions on the Basic Accounting Equation:

- 01 The owner invested BD25,000 cash in the business.
- 10 Purchased equipment for BD1,500 on account.
- 18 Paid utilities expense for BD350.
- 22 Performed services for cash BD400.
- 28 Took cash for private use BD250.
- 30 Provided services on account for BD600.
- 31 Received amount due from account receivable.

أثناء الحل قم بتقسيم كل عملية لكي يسهل عليك الحل

عند الكتابة في عمود O.E يجب الكتابة في عمود الـ Remark

Invested, Drawings, Expense, Revenue

Date	Assets			=	Liabilities	+	Owner's Equity	Remarks
	Cash	Accounts Receivable	Equipment		Accounts Payable		Capital	
Oct 01	+25000						+25000	Invested
10			+1500		+1500			
18	-350						-350	Expense
22	+400						+400	Revenue
28	-250						-250	Drawing
30		+600					+600	Revenue
31	+600	-600						
26900				=	26900			

تطبيق Accounting Equation
Assets = Liabilities + Owner's Equity

B. Show the effect of the following transactions on the basic accounting Equation by using (+) for increase, (-) for decrease and (NE) for no effect:

No	Transactions	Assets	Liabilities	Capital
1	Paid rent expense	-	NE	-
2	Collected cash from a/c Receivable	+ -	NE	NE
3	Withdrew cash from personal use	-	NE	-
4	Bought Truck on account	+	+	NE
5	Paid creditor	-	-	NE
6	Performed service on account	+	NE	+
7	Paid cash for furniture	+ -	NE	NE
8	Paid utilities expense	-	NE	-
9	Invested equipment in the business	+	NE	+
10	Received from debtors	+ -	NE	NE

إذا كانت الإشارات في الـ Assets فقط
فإن الإشارات تصبح (+) (-)

Double Entry System

A L C D R E

مهم لوحدة
Trial Balance

ADE

Account	Debit	Credit
Assets	Increase (+)	Decrease (-)
Expense	Increase (+)	Decrease (-)
Drawing	Increase (+)	Decrease (-)
Liabilities	Decrease (-)	Increase (+)
Owner's Equity (capital)	Decrease (-)	Increase (+)
Revenue	Decrease (-)	Increase (+)

Normal Balance = Increase (+)

A. Determine the Normal Balance for the following Accounting:

Accounts	Debit / Credit
Sales	Credit
Truck	Debit
Debtors	Debit
Credit card expense	Debit
Purchases Returns	Credit
Capital	Credit
Accounts Receivable	Debit
Accounts Payable	Credit
Rent received	Credit

B. Determine the debit and credit side for each account in the table below, by using DR for debit and CR for credit in the appropriate column:

No.	Accounts	Increase/Decrease	Debit/Credit
1	Office Supplies	Increase	Debit
2	Truck	Decrease	Credit
3	Sales	Decrease	Debit
4	Accounts Receivable	Increase	Debit
5	Fees Earned	Increase	Credit
6	Accounts Payable	Decrease	Debit
7	Supplies Used	Increase	Debit

Keywords:

(Dr. = Debit

Cr. = Credit)

Dr. Cash	Cr. Cash
<ul style="list-style-type: none">• Received cash• Collected• Issued receipt• Received cheque	<ul style="list-style-type: none">• Paid• Issued Cheque• Received receipt
Dr. Account Receivable	Cr. Account Payable
<ul style="list-style-type: none">• Sold on account• Sold on credit• Issued bill• Issued Invoice	<ul style="list-style-type: none">• Bought on account• Bought on credit• Recived bill• Received Invoice
Cr. Capital	Cr. Service Revenue
<ul style="list-style-type: none">• Invested• Deposited• Started• Contriduted	<ul style="list-style-type: none">• Provided• Performed• Completed• Earned• Rendered

No entry
<ul style="list-style-type: none">• Hired• Decided• Agreed• Accepted• Suggested

اذا وجدت أحد هذه الكلمات في معاملة، عليك كتابة No entry فقط

C. Nader started his business under the name of Nader Cleaning Services. The following are his transactions during the month of August 2014:

- 01 Nader invested Cash BD76 000 in the business
- 04 Bought equipment BD5 600 from Ali on credit
- 09 Paid office rent BD890
- 12 Provided service for BD2100 on credit for Al-Bander Co.
- 17 Nader Withdrew BD340 to pay his flat rent
- 21 Paid the balance due to Ali Co. for equipment

في المحاسبة تستخدم الـ Debit , Credit للتعبير عن الزيادة والنقصان في الحسابات

Date	Explanation	Debit	Credit
01	Cash	76000	
	Capital		76000
04	Equipment	5600	
	Account Payable – Ali –		5600
09	Office rent expense	890	
	Cash		890
12	Account Receivable – Al-Bander Co. –	2100	
	Service Revenue		2100
17	Drawings	340	
	Cash		340
21	Account Payable – Ali –	5600	
	Cash		5600

Sales – عمليات البيع

نقداً
- Cash Sales to Moh'd 100

Date	Explanation	Debit	Credit
	Cash	100	
	Sales		100

عملية الشراء

على الحساب

- Sold good on account to Ali 300

Date	Explanation	Debit	Credit
	A/c Receivable	300	
	Sales		300

عملية ارجاع جزء من البضاعة

- Returned good to Moh'd 50

Date	Explanation	Debit	Credit
	Sales Return	50	
	Cash		50

- Returned good to Ali 50

Date	Explanation	Debit	Credit
	Sales Return	50	
	A/c Receivable		50

عملية تحصيل الديون

- Collected amount due from Ali

اسلمت المبلغ المتبقي

$$300 - 50 = 250$$

Date	Explanation	Debit	Credit
	Cash	250	
	A/c Receivable		250

Purchase – عمليات الشراء

نقداً
- Cash Purchase from Omar 300

Date	Explanation	Debit	Credit
	Purchase	300	
	cash		300

عملية الشراء

على الحساب

- Purchased good on credit from Sam 300

Date	Explanation	Debit	Credit
	Purchase	300	
	A/C payable		300

عملية ارجاع جزء من البضاعة

- Returned good to Omar 45

Date	Explanation	Debit	Credit
	Cash	45	
	Purchase Returned		45

- Returned good to Sam 50

Date	Explanation	Debit	Credit
	A/c Payable	50	
	Purchase Returned		50

عملية تسديد الديون

- Paid **half** amount due to Sam

دفع نصف المبلغ المتبقي

$$300 - 50 = 250$$

$$250 \div 2 = 125$$

Date	Explanation	Debit	Credit
	A/c Payable	125	
	Cash		125

D. Adnan Co. for selling and delivering goods, completed the following transactions during the month of April 2015:

عليك كتابة اسم المستدين/ الدائن
عند البيع والشراء على الحساب

- 01 Invested cash BD80000 as capital
- 06 bought goods on credit from Hasan Co. BD1800
- 12 Paid BD350 for insurance expense
- 22 Accepted new contract for delivering goods for Mansoor, BD750
- 24 Returned damaged goods to Hasan Co. BD600
- 27 Sent bill to Nabeel for goods sold to him BD740
- 30 Received the monthly building rent from Jamal BD1200

Date	Explanation	Debit	Credit
01	Cash	80000	
	Capital		80000
06	Purchases	1800	
	Account Payable – Hasan Co. –		1800
12	Insurance expense	350	
	Cash		350
22	No Entry		
24	Account Payable – Hasan Co. –	600	
	Purchase Return		600
27	Account Receivable – Nabeel –	740	
	Sales		740
30	Cash	1200	
	Rent Revenue		1200

Invoice - الفاتورة

- Issued invoice #123 for service revenue BD 100 (أصدرت فاتورة على الحساب)

Date	Explanation	Debit	Credit
	Account Receivable	100	
	Service Revenue		100

- Received invoice #321 for Purchase BD 900 (استلمت فاتورة على الحساب)

Date	Explanation	Debit	Credit
	Purchase	900	
	Account Payable		900

Cheque - الشيك

- Issued Cheque #123 for account payable BD 300 (دفعت فلوس)

Date	Explanation	Debit	Credit
	Account Payable	300	
	Cash		300

- Received Cheque #321 for service provided BD 400 (استلمت فلوس)

Date	Explanation	Debit	Credit
	Cash	400	
	Service Revenue		400

Receipt - الرصيد

- Issued Receipt #123 against sales BD 100 (تصدر الفاتورة إذا شخص دفع لك فلوس)

Date	Explanation	Debit	Credit
	Cash	100	
	Sales		100

- Received Receipt #4 paying rent expense BD 900 (تستلم فاتورة إذا دفعت فلوس)

Date	Explanation	Debit	Credit
	Rent Expense	900	
	Cash		900

E. Jassim started his business under the name of Jassim Cleaning Services. The following are his transactions during the month of August 2014.

01 invested cash BD50,000 in the business, Memo #1.

04 Bought equipment for cash BD600, cheque #1280.

13 Received invoice #3804 for furniture, BD3,000.

17 Completed cleaning services for a customer, BD250 invoice #6700.

19 Issued receipt #10280 to Fahad for services, BD180.

22 Issued cheque # 1282 for BD1,200 to creditors.

29 Cash BD250 for personal use, memo #2.

Date	Explanation	Debit	Credit
01	Cash	50000	
	Capital		50000
04	Equipment	600	
	Cash		600
13	Furniture	3000	
	Account Payable		3000
17	Account Receivable	250	
	Cleaning Service Revenue		250
19	Cash	180	
	Service Revenue		180
22	Account Payable	1200	
	Cash		1200
29	Drawings	250	
	Cash		250

Credit Cards

Visa/ Master

- Sales 300 By Visa at 1%

Date	Explanation	Debit	Credit
	Cash	297	
	Credit Card Exp.	3	
	Sales		300

American Express/ Diner's Club

- Sales 400 By Diner's club at 2%

Date	Explanation	Debit	Credit
	A/c Receivable	392	
	Credit Card Exp.	8	
	Sales		400

(F) Make the Journal entries for the following transactions:

May 02 Sold airline tickets to Manar Co. BD 4000 by American Express Card, the service charge is 3%

May 18 Sold tickets to Najem Co. BD 1800 by Visa Card, the service charge is 2%.

May 20 Sold tickets to Hassan Co. BD 3000 by Master Card, the service charge 4%

May 25 sold tickets to Yousif Co. BD 2600 by Diner's Club, the service charge 2%

Date	Explanation	PR	Debit	Credit
May 02	Account Receivable – Manar Co		3880	
	Credit Card Expense		120	
	Sales			4000
18	Cash		1764	
	Credit Card Expense		36	
	Sales			1800
20	Cash		2880	
	Credit Card Expense		120	
	Sales			3000
25	Account Receivable – Yousif Co.		2548	
	Credit Card Expense		52	
	Sales			2600

الخطوات:

- 1- نكتب الـ Sales من السؤال
- 2- تضرب الـ Sales في النسبة (%) وتضع الناتج في الـ Credit Card Expense
- 3- تطرح الـ Sales من الـ Credit Card Expense وتضع الناتج في الـ Cash / Account Receivable

Ledger and T-accounts

ملاحظة:

Debit, Debit → (+)
Credit, Credit → (+)
Debit, Credit → (-)

A. Complete the following journal entries of Hanan Company for the month of June, then post to in the Ledger/T accounts:

General Journal

Date	Explanation	Debit BD	Credit BD
Mar.01Cash.....	25,000	
	Capital		25,000
	Invested cash in the business		
09	Advertising Expense	1,300	
Cash.....		1,300
	Paid advertising expense		
12	Account Receivable	2,600	
	Sales		2,600
	Sold goods on account BD2,600		
21	Purchases	3,700	
	Account Payable		3,700
	Purchase goods on account BD3,700		
24	Drawings.....	1,900	
	Cash		1,900
	Cash withdrawals BD1,900		
29Cash.....	1,100	
	Account Receivable		1,100
	Received BD 1,100 from A/c Receivable		

Name of Account: Cash					No....
Date	Explanation	PR	Debit	Credit	Bal.
01			25000		25000
09				1300	23700
24				1900	21800
29			1100		22900

Name of Account: A/c Payable					No....
Date	Explanation	PR	Debit	Credit	Bal.
21				3700	3700

تعتمد في الجمع والطرح من أجل إيجاد الـ balance على أول معاملة

Dr		Account Receivable		Cr	
Mar 12	2600	Mar 29	1100		
Bal.	1500				

Dr		Capital		Cr	
		Mar 01	25000		
		Bal.	25000		

مجموع الـ Dr (-) مجموع الـ Cr وتضع الناتج في جهة الأكبر

Trial Balance (Dr. = Cr.)

A. Find the balance for the following T-accounts, then prepare the Trial Balance for Lateefa Co. on 31 May 2014:

Cash			
May 01	18000	May 20	200
13	500	21	300
Bal.	18000		

Account Receivable			
May 08	2500		
Bal.	2500		

Equipment			
May 19	2900		
Bal.	2900		

Service Revenue			
		May 08	2500
		13	500
		Bal.	3000

Supplies			
May 21	300		
Bal.	300		

Account Payable			
		May 19	2900
		Bal.	2900

Capital			
		May 01	18000
		Bal.	18000

Rent Expense			
May 20	200		
Bal.	200		

اسم الشركة اسم القائمة المالية التاريخ	Lateefa Co Trial Balance At May 31 st 2014
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Account Titles	Debit (BD)	Credit (BD)
Cash	18000	
Account Receivable	2500	
Equipment	2900	
Supplies	300	
Accounts Payable		2900
Capital		18000
Service Revenue		3000
Rent Expense	200	
Total	23900	23900

نوجد الـ Bal لكل حساب وبعدين ننزلهم

B. The following balances were extracted from Noora Est. 's books:

Cash Dr	2,500
Account Receivable Dr	950
Supplies Dr	1,800
Motor Van Dr	6,500
Buildings Dr	230,000
Land Dr	95,000
Account Payable Cr	3,800

Notes Payable Cr	10,700
Loan Cr	65,000
Capital Cr	258,200
Drawings Dr	450
Rent Revenue Cr	4,800
Insurance Expense Dr	800
Wages Expense Dr	4,500

صنف الحسابات إلى Dr , Cr
في السؤال لتسهيل الحل

Required:

Prepare the **Trial Balance** for the period ended 31st December 2014.

..... Noora Est
Trial Balance
..... 31st December 2014

Account Titles	Debit (BD)	Credit (BD)
Cash	2500	
Account Receivable	950	
Supplies	1800	
Motor Van	6500	
Buildings	230000	
Land	95000	
Accounts Payable		3800
Notes Payable		10700
Loan		65000
Capital		258200
Drawings	450	
Rent Revenue		4800
Insurance Expense	800	
Wages Expense	4500	
Total	342,500	342,500

C. The following incorrect trial balance for Hamad Est, On Dec 31 2016:

At Dec 31 2016

Hamad Est,

Trial Balance

Account Titles	Debit (BD)	Credit (BD)
Cash Dr	18,400	
Supplies Dr		6,200
Lands Dr		78,000
Equipment Dr	15,400	
Account Payable Cr	9,100	
Capital Cr	97,900	
Fees Income Cr		21,000
Rent Expense Dr		3,500
Wages Expense Dr		6,500
Total	140,800	115,200

Required: Prepare the correct **Trial Balance** at Dec 31 2016

..... Hamad Est

..... Trial Balance

..... At Dec 31st 2016

Account Titles	Debit (BD)	Credit (BD)
Cash	18400	
Supplies	6200	
Lands	78000	
Equipment	15400	
Account Payable		9100
Capital		97900
Fees Income		21000
Rent Expense	3500	
Wages Expense	6500	
Total	128000	128000

Income Statement (R – E)

A. The following balances were extracted from Noora Est. 's books:

	BD		BD
Service Revenue R	34000	Salaries Expense E	1100
Commission Earned R	950	Insurance Expense E	350
Advertising Expense E	650	Supplies Expense E	150

صنف الحسابات إلى R , E في السؤال لتسهيل الحل

Required:

Prepare the **Income Statement** for the period ended 31st December 2013.

Noora Est.

Income Statement

At Dec 31st 2013

لا يوجد Dr , Cr في هذه القائمة كتابة الإجابة في أي عمود لا تؤثر بالحل

Account Titles	(BD)	(BD)
Revenues:		
Service revenue	34000	
Commission Earned	950	
Total Revenues		34950
Expense:		
Advertising Expense	650	
Salaries Expense	1100	
Insurance Expense	350	
Supplies Expense	150	
Total Expense		2250
Net Income		32700

(-)
=

ملاحظة:

Revenue > Expense → Net Income/Profit
Expense > Revenue → Net Loss

B. The following income statement of Saleh Est. and it contains some mistakes:

For the year ended 31st December 2014
Income Statement
Tahani Est

انتبه: الترتيب خطأ وحتى اسم الشركة خطأ !

Account Titles	(BD)	(BD)
Revenues:		
Service revenue R	86000	
Accounts receivable A	2400	
Salaries E	2600	
Insurance E	350	
Total Revenues		92300
Expenses		
Supplies used E	700	
Interest Income R	5500	
Utilities expense E	350	
Total Expenses E		9250
Net Loss		83050

Required: Prepare the **correct Income Statement**

Saleh Est.
Income Statement
At Dec 31st 2013

Account Titles	(BD)	(BD)
Revenues:		
Service revenue	86000	
Interest revenue	5500	
Total revenues		91500
Expenses:		
Salaries	2600	
Insurance	350	
Supplies used	700	
Utilities expense	350	
Total expenses		4000
Net Income		87500

(C) The following Balances were extracted from book of Badria Est, for the year ended on Dec 31st 2017:

Account Title	BD	Account Title	BD
Cash	14300	Loan	12400
Account Receivable	7700	Capital	74500
Ending Inventory	3500	Drawings	1000
Building	62000	Commission Income R	9900
Motor Van	18000	Salaries Expense E	4800
Furniture	9000	Rent Expense E	2200
Account Payable	5600	Repair Expense E	3000
Service Revenue R	17100	Notes Payable	6000

Required:

- 1- Calculate the **Net Income or Net Loss** for the year ended on Dec 31st 2017.
(Using the previous balances and **estate the steps of solution**)

$$\text{Total Revenues} = 17100 + 9900 = 27000$$

$$\text{Total Expense} = 4800 + 2200 + 3000 = 10000$$

$$\text{Net Income} = 27000 - 10000 = 17000$$

كتابة الخطوات عليه درجات !

Owner's Equity (Ending Capital)

A. Using the information below for Fahad Est. :

Beginning Capital O.E	32900	Electricity Expense E	150
Drawings O.E	300	Advertising Expense E	120
Service Revenue R	19100	Maintenance Expense E	80
Salaries Expense E	650	Supplies Expense E	100

Required:

- 1- Income Statement as at 31 Dec. 2013.
- 2- Statement of owner's Equity for the year ended 2013.

Fahad Est.
Income Statement
For the year ended 31 Dec. 2013

Revenues:		
Service revenue	19100	
Total revenue		19100
Expenses:		
Salaries expense	650	
Electricity expense	150	
Advertising expense	120	
Maintenance expense	80	
Supplies expense	100	
Total expense		1100
Net Income		18000

Fahad Est.
Statement of owner's Equity
for the year ended 2013

Beginning Capital		32900
+ Net Income		18000
		50900
- Drawings		300
Ending Capital		50600

ملاحظة:

Net Income/Profit → (+)

Net Loss → (-)

Balance Sheet ($A = L + O.E$)

Assets Current Assets + Long-term/ Fixed Assets	Liabilities Current Liabilities + Long-term Liabilities
	Owner's Equity

Assets

Current Asset < 1 year (الموجودات ذات السيولة عالية (يمكن تحويلها لنقود خلال سنة)

- Cash & Cash equivalent, Account/ Notes Receivable, Supplies, Inventory

Fixed Assets > 1 year (الموجودات الثابتة التي تستخدمها الشركة (تحويلها يحتاج لأكثر من سنة)

- Land, Building, Motors, Furniture, Truck, Equipment, Machinery, Notes Receivable (2 years or more)

Liabilities

Current Liabilities < 1 year (الديون التي سيتم سدادها خلال سنة

Account Payable, Notes Payable, Loan

Long-term Liabilities > 1 year (الديون التي سيتم سدادها خلال عدة سنوات

Notes Payable, Loan (2 years or more)

A. The following balances were extracted from the book of Sara Est, for the year ended Dec 31st 2017:

Account Title	BD	Account Title	BD
Cash C.A	37000	Account Payable C.L	7100
Notes Receivable C.A	13000	Notes Payable C.L	3900
Prepaid Insurance C.A	5000	Loans (5 years) L.L	14000
Building F.A	96000	Beginning Capital O.E	144000
Truck F.A	24000	Drawings O.E	2500
Equipment F.A	10000	Net Income O.E	18500

Required:

1- Calculate the Ending Capital Balance on Dec 31st 2017.

$$\text{Ending Capital} = 144000 + 18500 - 2500 = 160000$$

2- Prepare a Classified Balance Sheet as at Dec 31st 2017.

Classified Balance Sheet

Sara Est.
Balance Sheet

الطريقة الأفقية

For the year ended 31 Dec. 2013

<u>Current Assets:</u>		<u>Current Liabilities:</u>	
Cash	37000	Account Payable	7100
Notes Receivable	13000	Note Payable	3900
Prepaid Insurance	5000	<u>Long-Term Liabilities:</u>	
Total Current assets	55000	Loan (5 years)	14000
<u>Fixed Assets:</u>		Total Liabilities	25000
Building	96000	<u>Owner's Equity:</u>	
Trucks	24000	Ending Capital	160000
Equipment	10000		
Total Fixed Assets	130000		
		Total Owner's Equity	160000
Total Assets	185000	Total Liabilities & Equity	185000

لا يوجد Dr , Cr في هذه القائمة
كتابة الإجابة في أي عمود لا تؤثر بالحل

Classified Balance Sheet

Sara Est.
Balance Sheet

الطريقة العمودية

For the year ended 31 Dec. 2013

<u>Current Assets:</u>		
Cash	37000	
Notes Receivable	13000	
Prepaid Insurance	5000	
Total Current assets		55000
<u>Fixed Assets:</u>		
Building	96000	
Trucks	24000	
Equipment	10000	
Total Fixed Assets		130000
Total Assets		185000
<u>Current Liabilities:</u>		
Account Payable	7100	
Note Payable	3900	
<u>Long-Term Liabilities:</u>		
Loan (5 years)	14000	
Total Liabilities		25000
<u>Owner's Equity:</u>		
Beginning Capital	144000	
Net Income	18500	
Drawings	2500	
Total Owner's Equity		160000
Total Liabilities and Equity		185000

Ending Capital

إذا السؤال ماعطاك تحسب الـ Ending Capital في نقطة منفصلة .. ولا اعطاك إياها جاهزة .. تحسبها في الـ Balance sheet

Normal Balance SheetSara Est.
Balance Sheet

الطريقة العمودية

For the year ended 31 Dec. 2013

Assets:		
Cash	37000	
Notes Receivable	13000	
Prepaid Insurance	5000	
Building	96000	
Trucks	24000	
Equipment	10000	
Total Assets		185000
Liabilities:		
Account Payable	7100	
Note Payable	3900	
Loan (5 years)	14000	
Total Liabilities		25000
Owner's Equity:		
Beginning Capital	144000	
Net Income	18500	
Drawings	2500	
Total Owner's Equity		160000
Total Liabilities and Equity		185000