Accounting 111

Handout

Name: ....

ID: ....

Class: ....

Done by: Ebrahim Hasan Aman **&** Manal Abdulla

المتطلبات السابقة	نوع المساق	عدد الساعات المعتمدة	رمز المساق	اسم المساق
–	اختياري ملزم	٤	محا ١١١	**Principles of Accounting**

الدرجة	التقويم التكويني		عدد الأسابيع	الصفحات	الموضوعات المقررة	الفصل	الوحدة
	المعدل	النوع					
متوسط أعلى ثلاث وقفات ١٢×١=١٢		المفاهيم والمصطلحات المحاسبية الواردة في الفصل الأول تُدرس في جميع فصول الكتاب.		٢٥ – ٧	An Introduction to Accounting for Business	1	١
	١٠	اختبار تحريري	٣	٥٧ – ٢٧	Basic Accounting Equation	٢-٤	٢
	١٠	اختبار تحريري	٤	١١٦ – ٥٩	The Double Entry System, Business Documents and the General Journal	٥ – ٨	٣
	١٠	اختبار تحريري	٣	١٤٥ – ١١٧	Posting to the Ledger and T-account	٩ – ١٠	٤
	١٠	اختبار تحريري	٢	١٥٩-١٤٧	Preparing the Trial Balance	١١	
	١٠	اختبار تحريري	٣	١٨٢ – ١٦١	Preparing Financial Statements for services Business	١٢ – ١٣	٥
		يتم تطبيق أنشطة الوحدة الكترونيًا بحسب توافر مختبرات الحاسوب في المدرسة			The use of Computers for Preparing Financial Statement	١٤	٦
٥	٣	إعداد التقرير	التقرير				
	٢	عرض التقرير					
٨	٢	الانضباط	ملاحظة السلوك الطلابي				
	٢	التعاون مع الزملاء					
	٤	السلوك الأكاديمي					
٥	٥		ملف أعمال الطالب (كراسة النشاط)				
٣٠			المجموع				

الطبعة المعتمدة	:	الأولى ٢٠١٠م.
ملاحظات	:	توجد كراسة تدريبات للكتاب. – الطبعة الأولى ٢٠١٠م.
امتحان المنتصف	:	من ٢٧ إلى صفحة ٩٥.

Business Transactions and
The Basic Accounting Equation

❖ **Introduction:**

A business is like a person, it can own and control property, but the property of the business is separate from the personal property of the owner. The property or items of value (resources) are called *assets*. Business also has a legal right to its assets in the form of rights or claims against these assets.

> PROPERTY = PROPERTY RIGHTS

▪ Ex: if the firm has BD5000 of assets ⟶ it also has BD5000 claims against these assets.

The total claims of the assets are called *Equities*.
Claims of creditors are called *Liabilities*.
Claims of owners are called *Owner's Equity*.

> ASSETS = EQUITIES

▪ Ex: Book page 17

❖ **The Basic Accounting Equation (المعادلة المحاسبية)**

> ASSETS = LIABILITIES + OWNER'S EQUITY

> الأصول = الالتزامات + حقوق الملكية

❖ **Assets (الأصول)**
Definition: anything (resources) owned by a business such as cash, equipment, furniture, building, etc.

❖ **Liabilities (الالتزامات)**
Definition: claims against the assets. They represent the use of credit to buy the assets.

- Ex: the amount of money borrowed by the business to buy an asset represents the creditor's claim against the asset which creates an *Account Payable.*

> LIABILITIES = ASSETS – OWNER'S EQUITY

> الالتزامات = الأصول – حقوق الملكية

❖ **<u>Owner's Equity</u> (حقوق الملكية)**
Definition: the owner's claims on total assets.
The account used to represent the owner's equity is called *Capital.*
Definition of capital: the investment made in the business by the owner.

> OWNER'S EQUITY = ASSETS - LIABILITIES

> حقوق الملكية = الأصول - الالتزامات

If the owner invests in as asset such as cash, equipment…
Assets → Increase
Owner's equity (capital) → Increase

❖ **<u>Drawings</u> (المسحوبات)**
Definition: an owner may take (withdraw) cash out of the business for private use.
Assets (cash) → Decrease
Owner's equity (capital) → Decrease

❖ **<u>Revenues</u> (الإيرادات)**
Definition: results from sale of goods and performance of services.
Assets (cash/acc. Receivable) → Increase
Owner's equity (capital) → Increase

- Ex: sales revenue, income fees, commission, etc.

❖ **<u>Expenses</u> (المصروفات)**
Definition: the cost of doing business.

مقدمة باللغة العربية عن المعادلة المحاسبية

قبل الحديث عن المعادلة المحاسبية لا بد من التعرف على ما يلي:

1. **الأصول Assets:** هي المصادر التي تملكها الشركة بحيث ينتج عنها منافع اقتصادية مستقبلية ، أي ممكن استخدامها لأكثر من فترة محاسبية واحدة. مثل: أرض ، معدات ، آلات ، نقدية.

2. **الخصوم liabilities:** هي إلتزامات الشركة اتجاه غير الملاك (المقرضين أو الدائنين) والتي يتوجب عليها سدادها سواء في الأجل القريب أو البعيد.

3. **حقوق الملاك Owner's Equity:** هي إلتزامات الشركة اتجاه الملاك أو هي ما يملكه أصحاب الشركة من أموال وأصول في نفس الشركة.

المعادلة الرياضية:

الأصول = الخصوم + حقوق الملاك

Assets (A)   =   Liabilities (L)   +   Owner's Equity (OE)

يمكن تفسير المعادلة المحاسبية بأن مصادر الحصول على الأصول هي من غير الملاك من خلال الاقتراض أو الدين وهي تمثل الخصوم ، أو من الملاك والتي تتمثل في حقوق الملكية.

حقوق الملكية Owner's Equity :

هنالك أربع نقاط رئيسية تؤثر على حقوق الملكية وهي:

- **استثمارات الملاك Investment :** هي الأصول التي يضيفها الملاك إلى رأس مال الشركة.

- **المسحوبات الشخصية Drawing :** هي الأصول التي يأخذها الملاك من الشركة لاستخداماتهم الشخصية ، مثل: النقدية.

- **الإيرادات Revenues :** هي الزيادة في الأصول نتيجة أنشطة الشركة الرئيسية من بيع البضائع والخدمات. مثل: بيع بضاعة نقداً مما يؤدي إلى زيادة النقد لدى الشركة الذي يعتبر من الأصول.

- **المصروفات Expenses :** هي النقص في الأصول نتيجة أنشطة الشركة التي تسعى للحصول على الإيرادات. مثل: رواتب العمالة المؤجرة للحصول على الإيرادات مما يؤدي إلى نقص النقد لدى الشركة والذي يعتبر من الأصول.

Assets (A)	الأصول	Liabilities (L)	الإلتزامات
Cash	السيولة النقدية	Notes Payable	أوراق الدفع
Supplies	اللوازم / القرطاسية	Loan Payable	قرض
Equipment	المعدات	Account Payable	حسابات دفع
land	أرض	Interest Payable	فوائد
Account Receivable Debtors	حساب قبض المدينون	Account Payable Creditors	حسابات دفع الدائنون
Inventory	المخزون	Wages Payable	الرواتب
Prepaid insurance	تأمين مسبق الدفع	Salaries payable	الرواتب
investment	استثمار	**Owner Equity (OE)**	**حقوق الملكية**
furniture	أثاث	Capital	رأس المال
truck	شاحنة نقل	invest	استثمار
Building	بناء	Revenue	الايرادات
Cars	سيارات	Expense	المصاريف
Machines	آلات	Rent	اجار / إيجار
Premises	مبنى	insurance	التأمين
Computer	الحاسوب	Advertisement	الاعلانات
Vehicles	المركبات / السيارات	Drawing	مسحوبات شخصية

Collected / Received	جمع / تحصيل / استلام	On account / on credit	على الحساب
Net profit / income	صافي الربح	Performed	تقديم
Net loss	صافي الخسارة	Services	خدمات
Paid	دفع (نقداً)	Bought / Purchased	شراء
Increase	زيادة / ارتفاع	Decrease	نقص / انخفاض

الأصول	**=**	الإلتزامات	**+**	حقوق الملكية

Assets (A) = Liabilities (L) + Owner's Equity (OE)

Example:

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

Exercises (Determine the missing amount)

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

No Entry No Effect	Investment	Services Revenue	Paid \ دفع
وظّف Hired	Invested استثمر	Provided قدم	**Purchased = Bought**
Decidedقرر	Deposited اودع	Performed نفد	
Agreed وافق	Started بدأ	Completed اكمل	**Withdrew = Took**
Ordered طلب	Contributed ساهم	Earnedحصل	
Accepted وافق		Renderedقدم	
Suggest اقترح			

Credit	On Credit / On account / Billed

The Expanded Accounting Equation

| Assets | = | Liabilities | + | Owners Equity | | | |

| Assets | = | Liabilities | + | Capital | + | Retained Earnings | |

| Assets | = | Liabilities | + | Capital | + | Revenue | - | Expenses | - | Drawings |

| الأصول | **=** | الإلتزامات | **+** | حقوق الملكية |
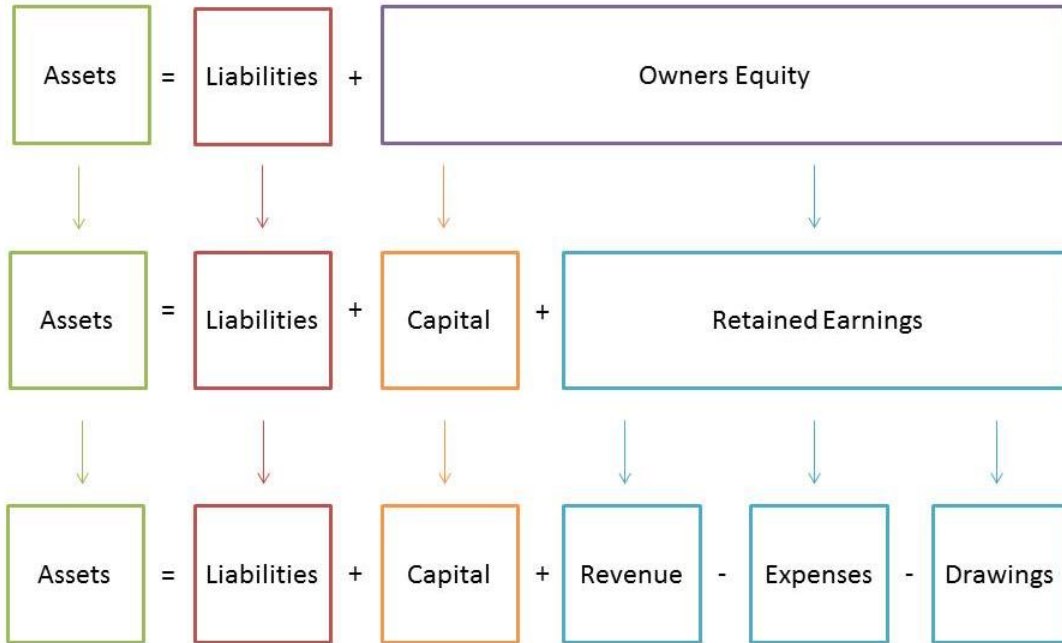
Assets (A) = Liabilities (L) + Owner's Equity (OE)

Cash / Supplies /
Equipment / land/
Account Receivable
Debtors/ Inventory
/Prepaid insurance/
Investment/
furniture / truck /
Building / Cars/
Machines /
Premises
/Computer
/Vehicles

Notes Payable
Loan Payable
Account Payable
Interest Payable
Account Payable
(Creditors

Investment ↑ (Increase +)

Revenue ↑ (Increase +)

Fees earned / Services /
commission / sales

Drawing ↓ (Decrease -)

Expenses ↓ (Decrease -)

Rent / Wages / insurance
Salaries / Advertisement

+

—

Accounting Equation

$$A = L + OE$$
$$OE = A - L$$
$$L = A - OE$$

1- Classify each of the following items as **assets**, **liabilities**, or **owner's equity**:

NO.	Items	Classification
1	Cash at bank / Cash in hand	Assets (A)
2	Supplies	
3	Account Payable	
4	Office Equipment	
5	Account Receivable	
6	Mahmood, Capital	
7	Office Furniture	
8	Note Payable	
9	Commission	
10	Advertising	

2- Find the missing figure by using the following equation:

Owner's equity = Capital – Drawing + Revenue – Expense

Account	Business 1	Business 2	Business 3	Business 4
Capital	4400	....	7500	14000
Drawings	400	80	800	1100
Revenue	700	900	....	4000
Expense	3000	1000	350	....
Owner's equity	....	5500	9000	13000

3- Complete the following:

a. If a business has Account receivable BD 4600, Motor Van BD 4500, cash BD 9870, Account payable BD 3800, Machinery BD 7400. The total of assets is -----------------.

b. If total liabilities are BD 5700 and total assets is BD 16700, the owner's Equity is -----------------.

c. Furniture is classified as ----------------------.

d. Bought supplies by cash increase ----------------- and decrease -------------------.

e. Wages expense is classified as ------------------.

f. Liabilities = Assets - ---------------------.

g. BD 2900 = BD 8700 - ------------------

h. Capital BD 10300 and service revenue is BD 1100, the balance of capital after revenue is -----------------------

i. Capital BD 6500 and drawing BD 300, the balance of capital after drawing is ------------------------.

j. Supplies used are classified as ----------------------------.

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4- Complete the following table use (+) for increase, (-) for decrease, (NE) for no effect:

Transaction	Assets	Liabilities	Owner's Equity
1- Owner invested cash in the business			
2- Purchased equipment by cash			
3- Purchased equipment on credit			
4- Sent bill to the customers for services performed			
5- Received cash from debtors			
6- Withdrew cash for personal use			
7- Used part of supplies			

5- Complete the following table use (+) for increase, (-) for decrease, (NE) for no effect:

Transaction	Assets	Liabilities	Owner's Equity
1- Invested cash in the business	+	NE	+
2- Purchased equipment for cash			
3- Purchased supplies on credit			
4- Performed services for cash			
5- Completed (provided) work to a customer on credit / on account			
6- Paid salaries for cash			
7- Paid wages for cash			
8- Paid insurance for cash			
9- Received Cash from debtors			
10- Paid cash to creditors			
11- Bought Machinery on account			
12- Sold Equipment by Credit			
13- Supplies used			
14- The owner withdrew / took cash for personal use			

المعادلة المحاسبية

الأصول	**=**	الإلتزامات	**➕**	حقوق الملكية

Assets (A) = Liabilities (L) + Owner's Equity (OE)

رأس الجدول يتكون من المعادلة المحاسبية :

Assets = liabilities + Owners Equity

ويكون بـ هالشكل:

Date	Assets	=	Liabilities	+	O/E	Remarks
	أي شي يخص الـ A Cash/equipment/...		مثال: A/c payable		Capital	

الـ Remarks نكتب في بس الاشياء اللي تخص الـ O/E

آخر شي لين حطينا كل البيانات في الجدول نجمع الـ assets ونكتب مجموعه تحته

ونجمع الـ L ونكتب مجموعه تحت

ونجمع الـ O/E ونكتب مجموعه تحت

آخر شي لين جمعنا كل شي نجمع الـ O/E + L بشرط ان الناتج = الـ A

Date	Assets				=	Liabilities	+	Owner's Equity	Remark
	Cash	Supplies	Computer Equipment	Account Receivable		Account Payable		Capital	
Total									
Balance									

Example The following transactions were completed by Al Amal Travel Agency during the month 0f February 2003:

- 01 Invested **BD 80,000** in the business
- 05 Paid **BD 8,200** cash for office supplies
- 07 Received **BD 5,300** cash for service performed
- 10 Bought computer equipment on account **BD 3,200**
- 18 Provided services for customer by credit BD 5,500
- 25 **BD 1,000** of the office supplies has been used
- 27 Received cash **BD 900** from the customer of transaction dated Feb.18

Required : Show the effect of the above transactions on the accounting equation.

Date	Assets				=	Liabilities	+	Owner's Equity	Remark
	Cash	Supplies	Computer Equipment	Account Receivable		Account Payable		Capital	
01	+80,000							+80,000	investment
05	-8,200	+8,200							
07	+5,300							+5,300	Revenue
10			+3,200			+3,200			
18				+5,500				+5,500	Revenue
25		-1,000						-1,000	Expenses
27	+900			-900					
Total	77,900	7,300	3,200	4,600		3,200		89,800	
Balance	**93,000**				**=**	**93,000**			

1- Hamad Ahmed started his business in name of HANADCO CLEANING SERVICES. He completed the following transactions during June 2002:

- 1st   Deposited BD8000 in the bank as capital
- 11th   Bought cleaning equipment on account for BD 1600
- 17th   Received check BD 1200 for performing cleaning services.
- 19th   Issued a check for the monthly rent BD 150
- 25th   Sold cleaning equipment BD 600 on account

Required:

Show the effect of each transaction on the Basic Accounting Equation.

Date	Assets			=	Liabilities + OE		Remark
	Cash	Cleaning Equipment	Account Receivable		Account Payable	Capital	
Total							
Balance							

2- On April 1, Khalid Al-Zayani Established Al-Zayani Travel Agency. The following transactions were completed during the month April 2003:

- 01/4   Invested BD 15,000 cash to start agency.
- 06/4   Purchased office equipment for BD 2,500 cash.
- 10/4   Paid BD 300 to Nader Advertising Co. for advertising costs.
- 22/4   Paid BD 600 cash for office supplies.
- 25/4   Earned BD 9,000 for services rendered: cash of BD 1,000 is received from customer and the balance of BD 8,000 is billed to customers on account.
- 27/4   Withdrew BD 200 cash for personal use.
- 29/4   Paid employees' salaries, BD 2,200.
- 30/4   Received BD 8,000 in cash from customer who have previously been billed in transaction (25/4).
- 30/4   Purchased furniture BD 3,500 from Sharif Furniture on account.

Required: show the effect of each transaction on the Accounting Equation. Use the following columns headings: Cash – Office Equipment – Supplies – A/C Receivable – Furniture – Capital – A/C Payable.

				=			

3- Saeed Salim is the owner of Al-Amal Cleaning Service, and he completed the following transactions during the month of October 2007:

- 1st Started business with cash BD 25000.
- 3rd Purchased Cleaning Equipment on credit BD 3800.
- 6th Paid 900 for insurance expense.
- 9th Performed cleaning service for a customer on account, BD 5200.
- 14th Paid half of the creditors' balance.
- 19th owner took BD 800 cash from the business for private use.
- 28th Provided cleaning service and received cash BD 2900.
- 30th Received 40% of the accounts receivable balance.

Required:

Show the effect of each transaction on the Basic Accounting Equation.

Date	Assets			=	Liabilities + OE		Remark
	Cash	Cleaning Equipment	Account Receivable		Account Payable	Capital	
Total							
Balance							

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4- The following transactions were completed by Hanan Décor company during the month of February 2006:

- 1st   Invested BD 16,000 cash in the bank.
- 3rd   Paid rent for the month, BD 850.
- 7th   Purchased equipment for cash BD 7,000.
- 9th   Purchased supplies on credit BD 1,250.
- 15th   performed decorating services for cash BD 560.
- 23rd   Performed decorating services on credit BD 870.
- 27th   Paid 60% to a creditor on account.
- 29th   Received 20% from a customer.
- 30th   Paid BD 130 for advertising cost.
- 31st   it was found that BD 200 worth of supplies has been used during the month.

Required: Show the effect of each transaction on the Basic Accounting.

					=			

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+ −
DR CR

+ −
CR DR

*Assets
*Expenses
*Owner's Equity
(withdrawals)

*Liabilities
*Revenues
*Owner's Equity
(Capital)

DR = Debit   CR = Credit

The nature of each movement is explained below:

	DEBIT SIDE (Assets, Expenses, Drawings)	CREDIT SIDE (Liabilities, Revenue, Owner's Equity)
↑ Increase	Debit movement	Credit movement
↓ Decrease	Credit movement	Debit movement

Complete the following table :

ACCOUNT	NORMAL BALANCE	↑ Increase	↓ Decrease
Assets	Debit		
Liabilities	Credit		
Capital	Credit		
Revenue	Credit		
Drawings	Debit		
Expenses	Debit		

Complete the following table

ACCOUNT	NORMAL BALANCE	↑ Increase	↓ Decrease
Purchase	*Debit*		
Purchase returns	*Credit*		
Sales	*Credit*		
Sales returns	*Debit*		

1- (a) Complete the following table:

Account	Classification	Increase Side	Decrease Side
Repair Expense	Expense	Debit	Credit
Account Receivable			
Miscellaneous Expense			
Account Payable			
Supplies			
Supplies Used			
Fees earned			
Cash at bank			

(b) Complete the following table:

Account	Classification	Normal Balance
Capital	Owners Equity	Credit
Account Payable		
Loan		
Drawing		
Machinery		
Office Equipment		
Supplies Expense		
Account Receivable		
Cash		
Furniture		
Notes Payable		
Fees Income		

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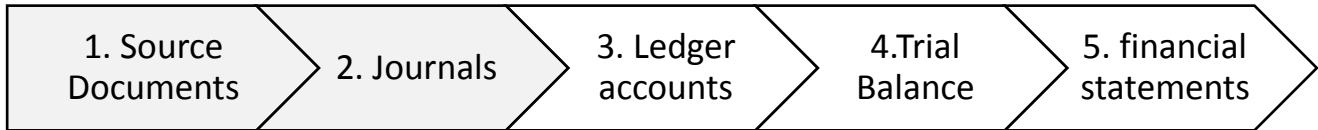
2- Presented below is information related to MEGABITE services for may 2003:

- 1st Ali begins business with a cash investment of BD 33,000 and equipment of BD 10,000.
- 2nd Bought office equipment on credit from Al-Moayed co. BD 5,500.
- 5th Performed services for cash BD 400.
- 10th Performed services on credit to Fadak Faisal BD 400.
- 12th Performed services for cash BD 700.
- 21st Bought BD 600 supplies, paid 10% as cash and the rest on account.
- 28th Paid to Al-Moayed co. BD 3,000.
- 30th Bought supplies on credit from Al-Zayani store BD 1,200.

Required: Journalize the transactions

MEGABITE services

General Journal

Page (XX   )

Date	Details	LF	Debit	Credit
1	Cash		33,000	
	equipment		10,000	
	Capital			43,000
2	office equipment		5,500	
	A/C Payable (Al-Moayed)			5,500

5	cash	400	
	Services Revenue		400
10	A/R Receivable (Fadak Faisal)	400	
	Services Revenue		400
12	cash	700	
	Services Revenue		700
21	Supplies expense	600	
	cash		60
	A/ Payable		540
28	A/C Payable (Al-Moayed)	5,500	
	Cash		5,500
30	Supplies expense	1,200	
	A/ Payable		1,200

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3- The following transactions were occurred in the Khalaf Lawyer Office in the

- 1/1   Invested BD 7,000 in the bank to start business.
- 3/1   Purchased office supplies for BD 300 cash.
- 5/1   Bought equipments for BD 900. Khalaf paid BD 200 cash and the remaining balance on credit.
- 7/1   Khalaf interviewed Eman to employee her as secretary with salary BD 200 per month.
- 9/1   Paid BD 450 cash for office rent.
- 12/1   Withdrew BD 200 for personal use.
- 25/1   Received BD 2,500 cash for performed services.
- 29/1   Fount that BD 50 worth of supplies was used during the month.
- 30/1   Paid for the equipment purchased on account on Jan 5.

Required*: *Enter the above transactions in the journal.

Page (   )

Date	Details	LF	Debit	Credit

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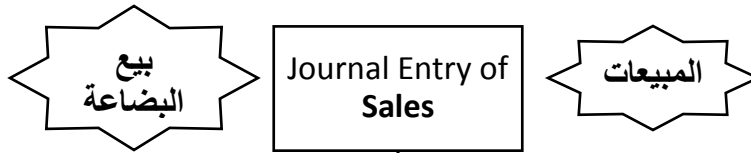|				

4- There are **mistakes entries** in the general journal of Amjad Delivery Services. You are required to re-record the entries correctly. The explanation for the entry **is correct**.

DATE	EXPLANATION	LF	DEBIT	CRIDET
2007 Sep 1	Cash A. Capital *Invest 25000 cash in the business*		25000	25000
8	Account Payable Computer Supplies *Purchased computer supplies on account BD 4000*		4000	4000
15	Cash Service Revenue *Received BD2500 cash for Perform Service.*		2800	2800
20	Cash Utilities Expense *Paid BD 140 for utilities Expense*		140	140
25	Cash Withdrawals *Withdraw BD 50 for personal use*		50	50

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ابراهيم حسن أمان

DATE	EXPLANATION	LF	DEBIT	CRIDET

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بيع البضاعة

Journal Entry of **Sales**

المبيعات

Cash Sales

Credit Sales

Debit **(Cash)**

Credit **(Sales)**

Debit **(A/C Receivable)**
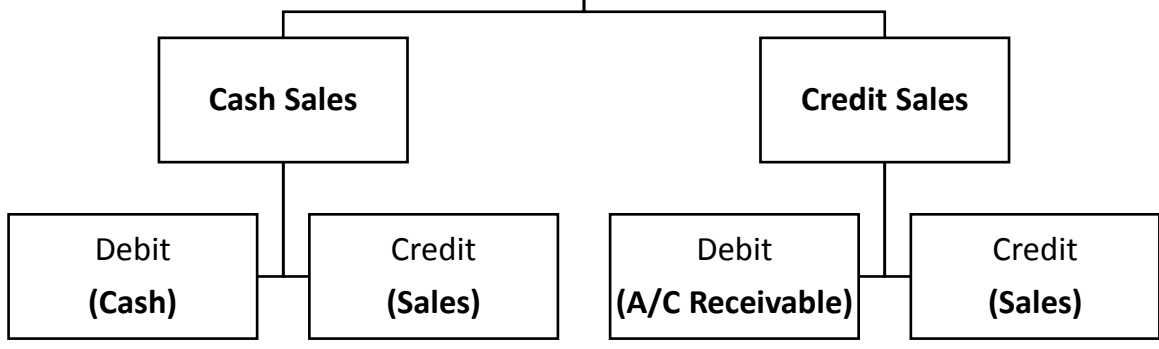
Credit **(Sales)**

By Cash (Received Cheque)

Date	Details	LF	Debit	Credit
	Cash		XXX	
	Sales			XXX

On account (Credit) (issued invoice)

Date	Details	LF	Debit	Credit
	A/C Receivable		XXX	
	Sales			XXX

Journal Entry of **Sales Returns**

ترجيع المبيعات

Cash Sales Returns

Credit Sales Returns

Debit **(Sales Returns)**

Credit **(Cash)**

Debit **(Sales Returns)**

Credit **(A/C Receivable)**
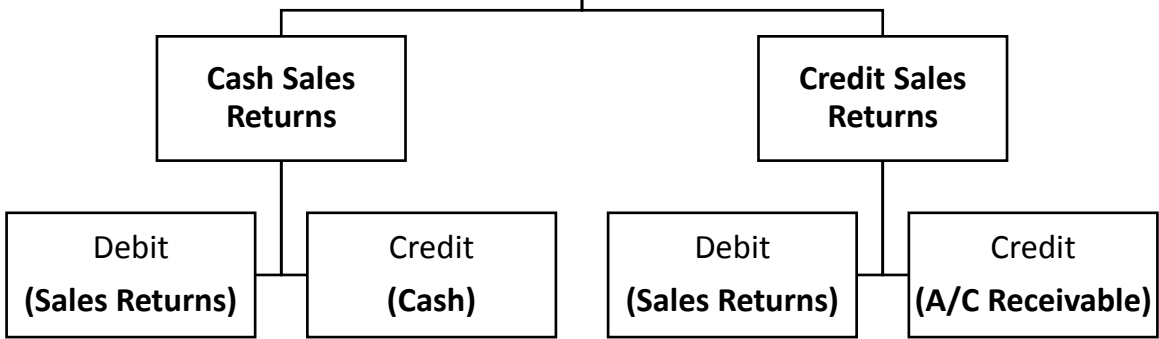
By Cash

Date	Details	LF	Debit	Credit
	Sales Returns		XXX	
	Cash			XXX

On account (Credit)

Date	Details	LF	Debit	Credit
	Sales Returns		XXX	
	A/C Receivable			XXX

Done by: Ebrahim Hasan Aman **&** Manal Abdulla

The Entry for using **Visa & Master Cards**

Date	Details	LF	Debit	Credit
1	Cash		XXX	
	Credit Card Expense		XXX	
	Sales			XXX

The Entry for using **American Express & Dinar Club**

Date	Details	LF	Debit	Credit
1	A/C Receivables		XXX	
	Credit Card Expense		XXX	
	Sales			XXX

CH 7

شراء البضاعة — Journal Entry of **Purchases** — المشتريات

Cash Purchases
- Debit **(Purchases)**
- Credit **(Cash)**

Credit Purchases
- Debit **(Purchases)**
- Credit **(A/C Payable)**
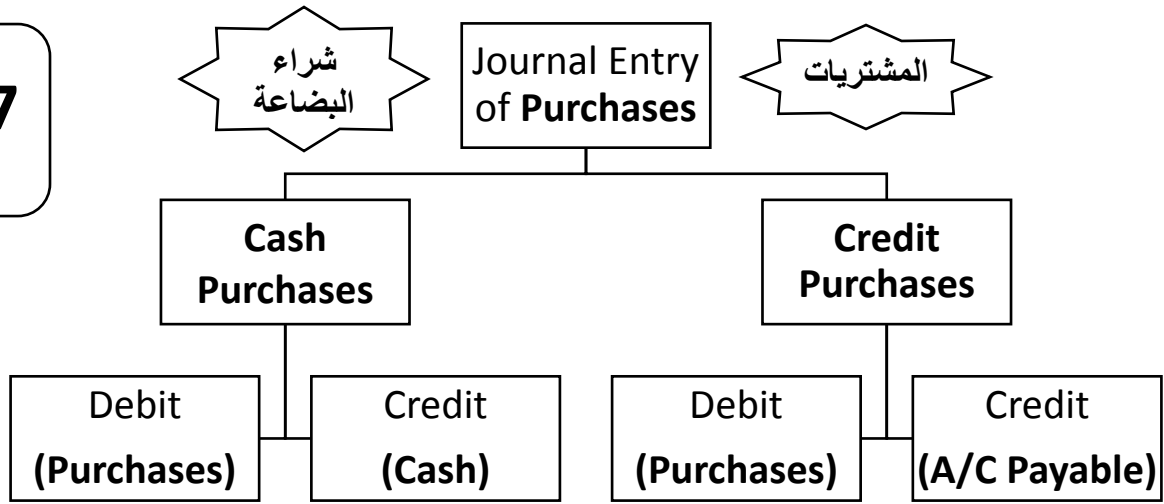
By Cash (issued Cheque)

Date	Details	LF	Debit	Credit
	Purchases		XXX	
	Cash			XXX

On account (Credit) (received invoice)

Date	Details	LF	Debit	Credit
	Purchases		XXX	
	A/C Payable			XXX

Journal Entry of **Purchases Returns** — ترجيع المشتريات

Cash Purchases Returns
- Debit **(Cash)**
- Credit **(Purchases Returns)**

Credit Purchases Returns
- Debit **(A/C Payable)**
- Credit **(Purchases Returns))**
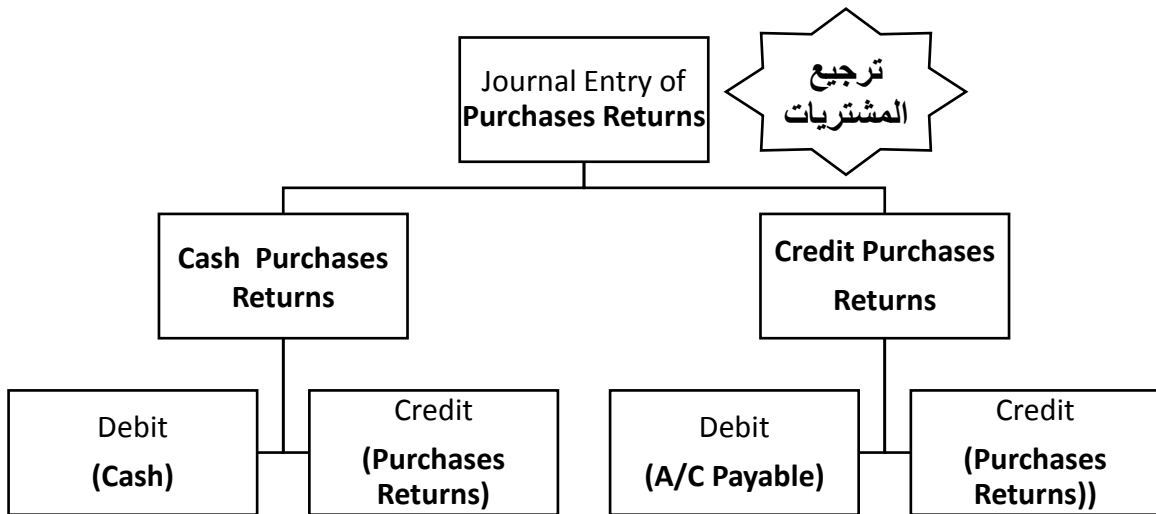
By Cash

Date	Details	LF	Debit	Credit
	Cash		XXX	
	Purchases Returns			XXX

On account (Credit)

Date	Details	LF	Debit	Credit
	A/C Payable		XXX	
	Purchases Returns			XXX

1- Post the following general journal entries to the General Ledger.

CH 9

Zainab Ismail Est.

General Journal   Page 20

Date	Details	LF	Debit	Credit
2003 March 1	Cash	101	19,000	
	Zainab, Capital	103		19,000
	Investment cash			
9	Equipment	102	4,000	
	Cash	101		4,000
	Bought equipment for cash			
16	Furniture	103	8,000	
	Account payable	201		8,000
	Bought furniture on account			
20	Account Payable	201	8,000	
	Cash	101		8,000
	Paid a creditor			
25	Drawing	302	3,000	
	Cash	101		3,000
	Withdrew cash for personal use			

Cash Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Capital Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Equipment Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Furniture Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Account Payable Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Drawing Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

The following transactions for Wahid took place in June 2004:

- Jun. 1   Started business BD 2,000 in the bank.
- 2   Bought office equipment BD 900 from Al-Ayam store. Paid BD350 cash on credit.
- 10   Performed service on credit to Ali Hassan BD 400.
- 12   Performer services for cash BD 180.
- 21   Bought machinery on cash for BD 600.
- 22   Paid BD 500 for wages expense.
- 28   Paid to Al-Ayam Store BD 550.
- 30   Bought machinery on credit from Cannon BD 300.

Required: Enter the above-mentioned transaction in the general ledger of Wahid for period ended 30th June 2003.

Page (   )

Date	Details	LF	Debit	Credit

Cash Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Capital Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Equipment Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Account Payable Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Service Revenue Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Machinery Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Account Receivable Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Drawing Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Wages Expense Account NO. --------					
Date	Details	JF	Debit	Credit	Balance

Assets		Liabilities		Owner's Equity	
(Debit) Increase	(Credit) Decrease	(Debit) Decrease	(Credit) Increase	(Debit) Decrease	(Credit) Increase
+	-	-	+	-	+

Post the journal entries of Zainab Ismail to (T-Account).

Zainab Ismail Est.

General Journal   Page 20

Date	Details	LF	Debit	Credit
2003 March 1	Cash	101	19,000	
	Zainab, Capital	103		19,000
	Investment cash			
9	Equipment	102	4,000	
	Cash	101		4,000
	Bought equipment for cash			
16	Furniture	103	8,000	
	Account payable	201		8,000
	Bought furniture on account			
20	Account Payable	201	8,000	
	Cash	101		8,000
	Paid a creditor			
25	Drawing	302	3,000	
	Cash	101		3,000
	Withdrew cash for personal use			

Cash

Capital

Equipment

Furniture

A/C Payable

Drawing

Done by: Ebrahim Hasan Aman **&** Manal Abdulla
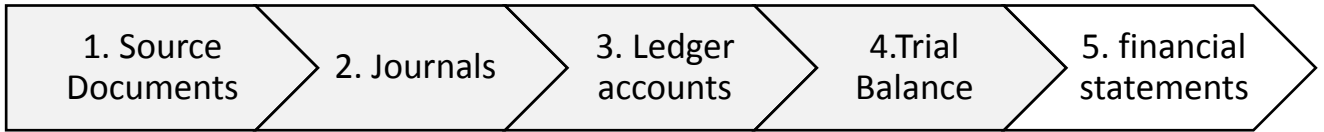
Trial Balance

	DEBIT SIDE (Assets, Expenses, Drawings)	CREDIT SIDE (Liabilities, Revenue, Owner's Equity)
Normal Balance	**Debit movement**	**Credit movement**

ACCOUNT	NORMAL BALANCE
Assets	*Debit*
Liabilities	*Credit*
Capital	*Credit*
Revenue	*Credit*
Drawings	*Debit*
Expenses	*Debit*

Account Titles	Debit (BD)	Credit (BD)
Cash	XXX	
Equipment	XXX	
Account receivable	XXX	
Cars	XXX	
Van	XXX	
Machinery	XXX	
Fees Earned		XXX
Waged Expense	XXX	
Utilities Expense	XXX	
Office supplies	XXX	
Office supplies Expense	XXX	
Account payable		XXX
Capital		XXX
Drawings	XXX	
Total		

EX1 : An **inexperienced bookkeeper** working for Ebrahim Hasan Est. has prepared the Following Trail Balance.

Ebrahim Hasan Est.

Trail Balance

31st March, 2018

Account Titles	Debit (BD)	Credit (BD)
Cash	10,000	
Equipment		12,000
Account receivable		9,200
Cars	10,500	
Fees Earned	8,650	
Waged Expense	1,350	
Utilities Expense		650
Account payable		7,400
Capital		28,000
Drawings	350	
Total	30,850	57,250

Prepare the correct Trial Balance.

Ebrahim Hasan Est.

Trail Balance

31st March, 2018

Account Titles	Debit (BD)	Credit (BD)
Cash		
Equipment		
Account receivable		
Cars		
Fees Earned		
Waged Expense		
Utilities Expense		
Account payable		
Capital		
Drawings		
Total		

EX2: The following are the ledger account of Zainab Ismail:

Cash					
Date	Details	JF	Debit	Credit	Balance
Mar10	Capital	20	19,000		19,000
09	Equipment and supplies	20		7,000	12,000
20	Account Payable	20		8,000	**4,000**

Capital					
Date	Details	JF	Debit	Credit	Balance
Mar. 01	Cash	20		19,000	**19,000**

Equipment					
Date	Details	JF	Debit	Credit	Balance
Mar.09	Cash	20	4,000		**4,000**

Supplies					
Date	Details	JF	Debit	Credit	Balance
Mar.09	Cash	20	3,000		**3,000**

Cars					
Date	Details	JF	Debit	Credit	Balance
Mar 16	Account payable	20	8,000		8,000
25	Drawing	20		3,000	**5,000**

Account Payable					
Date	Details	JF	Debit	Credit	Balance
Mar. 16	Cars	20		8,000	8,000
20	Cash	20	8,000		**0**

Drawing					
Date	Details	JF	Debit	Credit	Balance
Mar. 25	Car	20	3,000		**3,000**

An inexperienced bookkeeper working for Zainab Ismail Est. has prepared the Following Trail Balance.

Prepare the correct Trial Balance.

Zainab Ismail Est.

Trail Balance

31st March, 2003

Account Titles	Debit (BD)	Credit (BD)
Cash	4,000	
Equipment	4,000	
Supplies	300	
Cars	0	
Account payable		5,000
Capital		19,000
Withdrawals	3,000	
Total	11,300	24,000

Done by: Ebrahim Hasan Aman & Manal Abdulla

Zainab Ismail Est.

Trail Balance

31st March, 2003

Account Titles	Debit (BD)	Credit (BD)
Cash		
Equipment		
Supplies		
Cars		
Account payable		
Capital		
Withdrawals		
Total		

Done by: Ebrahim Hasan Aman **&** Manal Abdulla

Income Statement قائمة الدخل

Company Name **Income Statement** For the year ended -----------		
	BD	**BD**
Revenues		
Fees Income	XXX	
Rent revenues	XXX	
Total Revenues		**XXX**
Expenses		
Wages expense	XXX	
Rent expense	XXX	
Utilities expense	XXX	
Supplies expense	XXX	
Total Expenses		**XXX**
Net Income (profit)		**XXX**

Net Income = Revenues – Expenses

Profit if   Revenues   >   Expenses

Loss if Revenues   <   Expenses

Company Name
Statement of owner's Equity
For the year ended ----------------

Beginning Capital	XXX
+ Additional investment	XXX
+ Net profit **OR** – Net loss	XXX
Subtotal	**XXX**
-Drawings	XXX
Ending Capital	**XXX**

Ex :

The following balances were extracted from books of Mohammed Est. on **31 December 2018**

Drawing **500**   Capital   **24,800**   Net Income (profit) **15,000**

Prepare the Statement of owner's Equity

Statement of owner's Equity
For the year ended ----------------

Company Name

Balance Sheet

for the year ended ----------------

Assets	BD	BD
Current Assets:		
Cash	XXX	
Account Receivable	XXX	
Supplies	XXX	
Merchandise Inventory	XXX	
Total current assets		**XXX**
Fixed Assets:		
Land	XXX	
Building	XXX	
Motors	XXX	⊕
Furniture	XXX	
Truck	XXX	
Equipment	XXX	
Plant	XXX	
Total Fixed assets		**XXX**
Total Assets		**XXX**
Liabilities		
Account Payable	XXX	
Total Liabilities		**XXX**
		⊕
Owner's Equity :		
Ending capital		**XXX**
Total Liabilities & Equity :		**XXX**

Company Name
Balance Sheet
for the year ended -----------------

Assets		Liabilities	
Current Assets:		Account Payable	XXX
Cash	XXX	**Total Liabilities**	**XXX**
Account Receivable	XXX		
Supplies	XXX	**Owner's Equity :**	
Merchandise Inventory	XXX	Ending capital	XXX
Total current assets	**XXX**		
Fixed Assets:			
Land	C		
Building	XXX		
Motors	XXX		
Furniture	XXX		
Truck	XXX		
Equipment	XXX		
Plant	XXX		
Total Fixed assets	**XXX**		
Total Assets	**XXX**	**Total Liabilities & Equity**	**XXX**

Done by: Ebrahim Hasan Aman **&** Manal Abdulla