

Chapter Three Exercises

Analyzing and Journalizing Transactions

Name:	Class:	Academic No.

Double Entry System

- 1) I <u>Learned Previously ...</u> Show the effect of the following transaction on the Basic Accounting Equation:
- Jul 01: The Owner invested BD15,000 cash in the business.
- Jul 10: Purchased Equipment for BD900 on account.
- Jul 18: Paid utilities expense for BD210.
- Jul 22: Performed Services by cash for BD240.
- Jul 28: Took Cash for private use BD150.
- Jul 30: Provided Services on account for BD360.

	Assets =		Liabilities + Owner's Equity					
Date	Cash	Supplies	Account Receivable	Account Payable	Capital	Revenues	Drawings	expenses
Balance								
Total								

2) Complete the following table (the first one is done as an example):

No.	Accounts	Classification	Normal Balance	Increase side	Decrease side
1.	Accounts Receivable	Assets	Debit	Debit	Credit
2.	Sales				
3.	Drawings				
4.	Trucks				
5.	Notes payable				
6.	Fees earned				
7.	Wages Expenses				







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3) Determine the debit or credit side for each of the following accounts by putting (✓) in the appropriate column:

No	Accounts	Increase or Decrease	Debit	Credit
1	Buildings	Decrease		
2	Capital	Increase		•
3	Drawings	Decrease		
4	Commission Income	Increase		
5	Loan	Decrease		7
6	Salaries Expense	Increase		
7	Prepaid insurance	Increase		
8	Rent Revenue	Increase	A 0	/





