

BASIC ACCOUNTING EQUATION & DOUBLE ENTRY SYSTEM

QUESTION 1

Date	Assets = R	Equity + R	Liability R	General ledger accounts	
				Dr	Cr
4	+ 1 200	+ 1 200	0	Trade receivables control/L Logo	Service fees
10	0	- 350	+ 350	Advertising expenses	Credit card: Bank
15	- 8 500 + 8 500	0	0	Tools and equipment	Bank
20	- 700 + 700	0	0	Bank	Trade receivables control/L Logo
22	+ 4 050	+ 4 050	0	Bank	Service fees
23	- 450	- 450	0	Drawings	Inventory
28	+ 3 000	0	+ 3 000	Inventory	Trade payables control/Wires Inc
30	- 5 000	- 5 000	0	Wages	Bank