ACCOUNTING INFO SHEET for ACCT 101

Double-entry system

Basic Accounting Equation

(aka NET WORTH) (03/30/22)

ASSETS = LIABILITIES + OWNER'S EQUITY

Owner, Capital

ASSETS

Debit	Credit
+	-

What the company OWNS

Cash
Accounts Receivable
Land
Buildings
Merchandise Inventory
Trucks
Equipment
Office Equipment
Office Supplies
Furnishings & Fixtures
Prepaid Expenses
Marketable Securities

Contra-asset Acctounts

Debit	Credit
-	+

Accumulated Depreciation
(Deduction from the related asset account over a period of its useful life)
Allowance for Doubtful Accts

LIABILITIES

Debit	Credit
-	+

What the company OWES

"Payable"

Accounts Payable
Notes Payable
Mortgage Payable
Taxes Payable
Salaries/Wages Payable
Unearned Revenue

Not a "Payable" but still a Liability!

NOTES: Debits before Credits when Jouranalizing
AFTER EVERY TRANSACTION:
* Debits MUST equal Credits
* The Basic Accounting Equation MUST be true!

Financial Statements: 1) Income Statement, 2) Statement of Owner's Equity, 3) Balance Sheet, 4) Statement of Cash Flows (optional)

CLOSING ENTRIES: R E I D
Revenue, Expenses, Income Summary, Drawing

OWNER'S EQUITY

Debit	Credit
-	+

Drawing
Withdrawals

Debit	Credit
+	-

INCOME STATEMENT

Revenue

Debit	Credit
-	+

What the company is in buisiness to do

Professional Fees
Income from Tours
Sales Revenue

Expenses

Debit	Credit
+	-

Costs of doing business

Revenue - Expenses = Net income/loss