

ACT201 with Saif: (2) The Recording Process

Schedule: Sundays & Tuesdays
Sections, Timing & Room:
1: Sun 2:00pm (Room:09G-31T) & Tue 2:00pm (Room:07A-01C)
2: Sun 2:00pm (Room:09G-31T) & Sun 5:00pm (Room:07A-01C)
3: Sun 2:00pm (Room:09G-31T) & Tue 3:30pm (Room:07A-01C)
Instructor: Saif Hossain
Initial: SHO

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[Switch Account](#)

The name, email, and photo associated with your Google account will be recorded when you upload files and submit this form
Any files that are uploaded will be shared outside of the organization they belong to.

* Indicates required question

Email *

☒ Record afnan.mohammad.hafiz@g.bracu.ac.bd as the email to be included with my response

Your Name *

Capitalize only the first letters, example: **Hamzah Hossain**

Afnan Mohammad Hafiz

Your G-suite email address *

only G-suite.

afnan.mohammad.hafiz@g.bracu.ac.bd

Your Student ID *

Writing student ID incorrectly will result in the dismissal of the entire submission

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Your Student ID (re-enter) *

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Your Section *

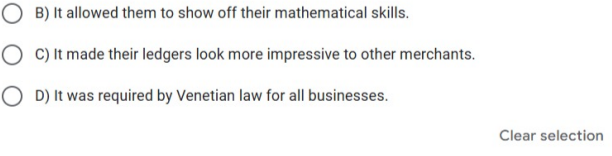
Writing student ID incorrectly will result in the dismissal of the entire submission

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Section 1: History

Luca Pacioli (1447-1517) ... who???

what happened in 1494???



1.1) Why did Venetian merchants in the 15th century find double-entry bookkeeping so useful?

☒ A) It helped them keep accurate records of their trade transactions.

☐ B) It allowed them to show off their mathematical skills.

☐ C) It made their ledgers look more impressive to other merchants.

☐ D) It was required by Venetian law for all businesses.

Clear selection

1.2) Luca Pacioli published his influential book Summa de Arithmetica in 1494. What was one of the key contributions of this work to the world of accounting?

☐ A) Introducing the concept of zero into European mathematics.

☒ B) Describing double-entry bookkeeping, which became the foundation for modern accounting.

☐ C) Creating a new method for calculating compound interest.

☐ D) Writing the first known guide on inventory management for merchants.

Clear selection

1.3) The concepts of "debits" and "credits" in accounting have their roots in the early practices of double-entry bookkeeping. Which of the following best describes how these terms originated?

☐ A) They were derived from Latin terms meaning "left" and "right."

☐ B) They were created by Venetian merchants to confuse competitors.

☒ C) Luca Pacioli introduced them in his Summa de Arithmetica using Latin words meaning "he owes" (debit) and "he trusts" (credit).

☐ D) They were named after two famous 15th-century Italian bankers, Debito and Credito.

Clear selection

Section 2: The Double-Entry Rule

2.1) Discussion Points:

a) Debits & Credits

b) The Recording Process

c) Journal

d) Ledger

e) Trial Balance

f) Correction of Errors

☒ OK

Clear selection

2.2) Which of the following represents the expanded form of the accounting equation? (We need to recall this at this point before proceeding further)

☐ A) Assets + Liabilities = Capital + Drawings + Revenues + Expenses

☐ B) Assets = Liabilities - (Capital + Drawings - Revenues - Expenses)

☐ C) Assets = Liabilities + Capital + Drawings - Revenues + Expenses

☒ D) Assets = Liabilities + (Capital - Drawings + Revenues - Expenses)

Clear selection

2.3) If I tell you that ASSETS are debited when increased, then logically what happens to the followings:

[hints: keep the equation in mind while answering]

	Debited (Dr)	Credited (Cr)
a) When an asset decreases, it's being	<input type="radio"/>	<input checked="" type="radio"/>
b) When an liability increases, it's being	<input type="radio"/>	<input checked="" type="radio"/>
c) When an liability decreases, it's being	<input checked="" type="radio"/>	<input type="radio"/>
d) When capital increases, it's being	<input type="radio"/>	<input checked="" type="radio"/>
f) When drawing increases, it's being	<input checked="" type="radio"/>	<input type="radio"/>
g) When expense increases, it's being	<input checked="" type="radio"/>	<input type="radio"/>
h) When revenue increases, it's being	<input type="radio"/>	<input checked="" type="radio"/>

Clear selection

2.4) Journal (sample)

Seek the answers to the following questions while formally recording transactions in a Journal

a) What are the items being affected?

b) How are the items changing, increase/decrease?

c) The items fall under which category, Assets/Liabilities/.....?

d) Match the above answers with the logic given above, and figure out if the items will be debited/credited?

P1-1A Book of original entry.... Book of first entry				
Journal				
#	Particulars		DR(\$)	CR(\$)
1	Cash DR		10000	
	Capital CR			10000
	(capital invested)			
2	Equipment DR		5000	
	Cash CR			5000
	(equipment bought for cash)			
3	Rent Expense DR		400	
	Cash CR			400
	(rent paid by cash)			
4	Supplies DR		500	
	Cash CR			500
	(supplies bought for cash)			
5	Advertising Expense DR		250	
	Accounts Payable CR			250
	(advertising expense incurred on account)			

2.5) When recording a transaction in a journal, which of the following steps should you follow to determine whether an account should be debited or credited?

☐ A) Check only if the items are increasing and assign a debit.

☒ B) Identify the items involved, determine if they are increasing or decreasing, categorize them (e.g., Assets/Liabilities), and then apply the debit/credit logic.

☐ C) Ignore the nature of the items and focus only on the amounts.

☐ D) Always debit expenses and credit revenues without considering the type of account.

Clear selection

2.6) The next four questions are related to the following transaction:

Bought motor van on account for \$5,000

☒ OK

Clear selection

a) Which of the following items are affected by the transaction?

B) Motor van and Accounts Payable

b) How do the items change in the transaction?

B) Motor van increases, and accounts payable increases.

c) Into which categories do the items in the transaction?

C) Motor van is an asset, and accounts payable is a liability.

d) How would the items be recorded in the journal?

D) Debit Motor Van \$5,000, Credit Accounts Payable \$5,000

2.8) Ledger Account (sample)				
Cash A/C				
April	Details	Dr (\$)	Cr (\$)	Balance (\$)
1	Capital	10000		10000 DR
2	Equipment		5000	5000 DR
3	Rent Expense		400	4600 DR
4	Supplies		500	4100 DR
6	Service Re	5100		9200 DR
7	Drawings		1000	8200 DR
8	Salaries Expense		2000	6200 DR
9	Utilities Expense		140	6060 DR
11	Accounts	120		6180 DR

2.8) What is a ledger account in accounting?

☐ A) A statement that shows the financial position of a company at a specific point in time.

☒ B) A document used to record transactions chronologically before they are posted to accounts.

☐ C) A record that summarizes all transactions related to a specific item, such as cash or accounts payable.

☐ D) A report that lists all of the revenues and expenses over a period to determine net income.

Clear selection

2.9) Trial Balance (sample)

Trial Balance		DR(\$)	CR(\$)
Details			
Cash		6180	
Capital			10000
Equipment		5000	
Rent Expense		400	
Supplies		500	
Advertising Expense		250	
Accounts Payable			250
Service Revenue			5850
Drawings		1000	
Salaries Expense		2000	
Utilities Expense		140	
Accounts Receivable		630	
		16100	16100

2.10) What is the primary purpose of preparing a trial balance in accounting?

☐ A) To ensure that the financial statements are free of errors.

☐ B) To summarize all of the company's revenue and expenses.

☒ C) To verify that the total debits equal the total credits in the ledger accounts.

☐ D) To calculate the net income or loss for a period.

Clear selection

2.11) Which of the following statements is true about a trial balance?

☐ A) It lists only the accounts that have debit balances.

☒ B) It includes all the accounts from the ledger with their respective debit or credit balances.

☐ C) It is used to record transactions before posting them to the ledger.

☐ D) It is prepared at the end of the fiscal year to calculate taxes.

Clear selection

2.12) If a trial balance shows that the total debits do not equal the total credits, what does this indicate?

☐ A) There are no errors, as debits and credits do not need to match in a trial balance.

☒ B) There is an error in one or more transactions, such as a missing or misposted entry.

☐ C) The company is likely to have more expenses than revenues.

☐ D) The business has made a profit during the period.

Clear selection

2.13) Refer to the MS Excel file (week 2) that was discussed in the class in relation to the Journal, Ledger and Trial Balance (i.e. the Recording Process)

☒ OK

Clear selection

2.14) Journal, Ledger, Trial Balance

Beyers Security Company provides security services. Selected transactions for Beyers are presented below.

Oct 1 Invested \$66,000 cash in the business.

Oct 2 Hired part-time security consultant. Salary will be \$2,000 per month. First day of work will be October 15.

Oct 4 Paid one month of rent for building for \$2,000.

Oct 7 Purchased equipment for \$18,000, paying \$4,000 cash and the balance on account.

Oct 8 Paid \$500 for advertising.

Oct 10 Received bill for equipment repair cost of \$390.

Oct 12 Provided security services for event for \$3,200 on account.

Oct 16 Purchased supplies for \$410 on account.

Oct 21 Paid balance due from October 7 purchase of equipment.

Oct 24 Received and paid utility bill for \$148.

Oct 27 Received payment from customer for October 12 services performed.

Oct 31 Paid employee salaries and wages of \$5,100.

Requirements:

a. Journalize the transactions. Do not provide explanations.

b. Post the transactions to Ledger accounts.

c. Prepare a trial balance at October 31, 2020.

d. Income Statement, Owner's Equity Statement & the Balance Sheet

Instructions: Answer on your notebook, scan the page(s) and upload your answers in the next sub-section as a single file. You may use cam-scanner.

Answer Upload

Upload 1 supported file: PDF, document, or image. Max 10 MB.

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2.15) Problems & Exercises for Practice at Home

Exercises: E2-12, E2-13, E2-14, E2-17

Problems: P2-1A- P2-5A

(Non-graded assignment)

2.16) Please note that Correction of Errors are not in the Midterm exam but maybe included in the Final Exam

☒ OK

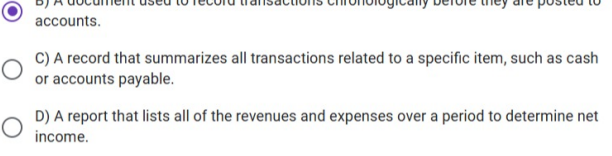
2.17) In the accounting world, the Journal, Ledger, and Trial Balance are like a trio of roommates. Which one is most likely to be the "neat freak" who checks if everything is in order?

☐ A) The Journal, because it writes everything down first and always has the final word.

☒ B) The Ledger, because it organizes everything into its proper place.

☐ C) The Trial Balance, because it double-checks that everything adds up just right.

☐ D) None of them—They're all too busy arguing over who recorded what.



☐ Send me a copy of my responses.

Submit