**Activity 22: Classifying ledger balances**

Classify the following ledger balances as assets, liabilities, income, expense or capital. The acronyms DEAD and CLIC can be used to help with the classification:

|  |  |
| --- | --- |
| A DEBIT BALANCE represents | A CREDIT BALANCE represents |
| EXPENSES | LIABILITIES |
| ASSETS | INCOME |
| DRAWINGS | CAPITAL |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Ledger account** | **Asset** | **Liability** | **Capital** | **Income** | **Expense** |
| Sales |  |  |  |  |  |
| Trade receivables |  |  |  |  |  |
| Equipment |  |  |  |  |  |
| Electricity cost |  |  |  |  |  |
| Bank interest received |  |  |  |  |  |
| Trade payables |  |  |  |  |  |
| Purchases |  |  |  |  |  |
| Wages |  |  |  |  |  |
| Drawings |  |  |  |  |  |
| Capital |  |  |  |  |  |