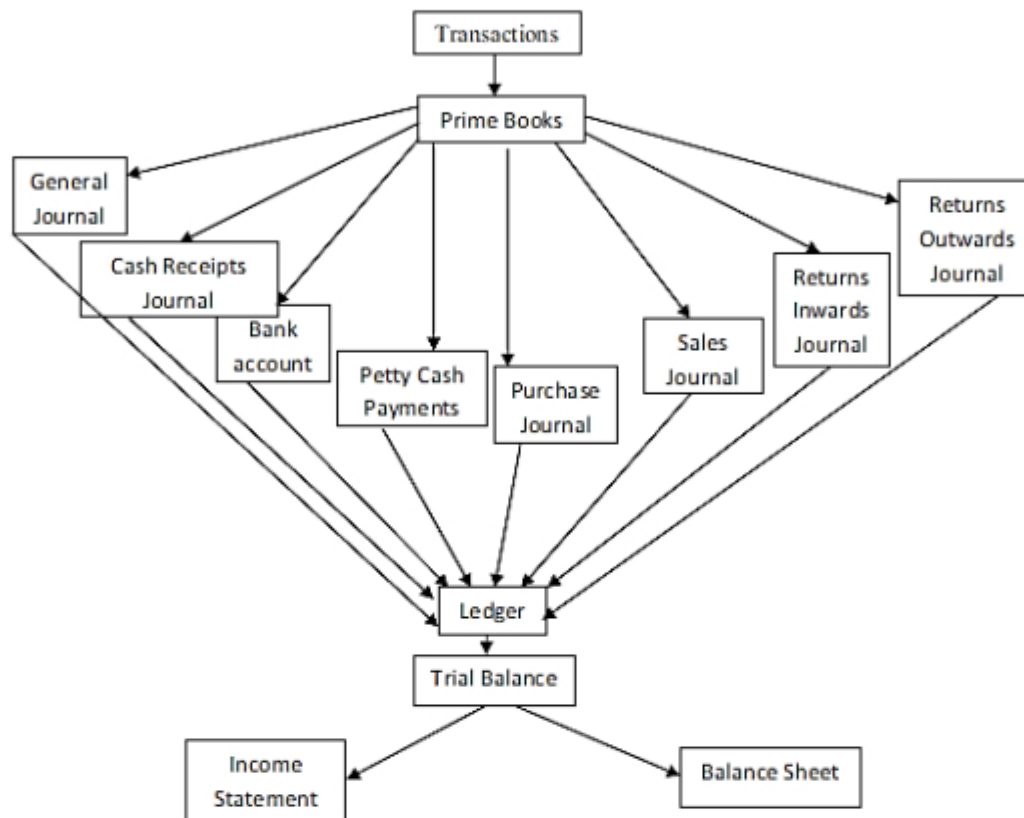
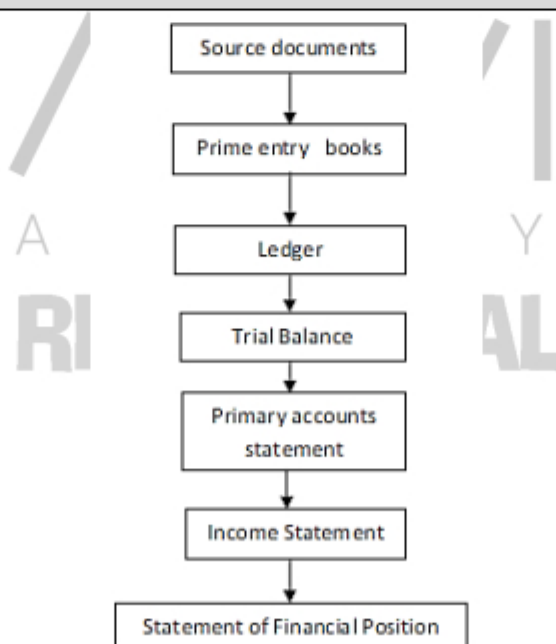


**4.9 | Trial Balance**

- Accounting process
- Preparing trial balance
- Preparing financial statements

**Summary****Accounting process**

**Accounting process**

- The transactions that are recorded in the prime entry books will be posted to the individual accounts in the General Ledger.
- The ledger accounts are balanced and resulting balances are used to prepare the Trial Balance.
- The income and expense accounts in the Trial Balance will be used to calculate the financial results for the period, through the preparation of the Income Statement.
- The balances under assets and liabilities in the Trial Balance will be used to prepare the Statement of Financial Position as at the last date of the period.

**Trial Balance**

- Trial Balance is a summary of the ledgers, showing a list of DR and CR balances prepared at the end of the period.
- DR and CR values should be equal and the ledgers should be balanced correctly.
- Posting transactions to the Trial Balance:
  - Recording transactions in the prime entry books
  - Recording in ledger accounts
  - Preparing the Trial Balance using balances of ledger accounts

<b>Trial Balance of ABC Pvt Ltd as at 31.12.2018</b>		
	<b>DR</b>	<b>CR</b>
Cash	X	
Debtors	X	
Furniture	X	
Insurance expense	X	
Discount received		X
Sales		X
Creditors		X
Bank loan		X
Capital		X
<b>Total</b>	<b>XX</b>	<b>XX</b>

