

## Modern Rules of Accounting

1. Assets → Increase - Dr  
→ Decrease - Cr

2. Expenses → Increase - Dr  
→ Decrease - Cr

3. Liabilities → Decrease - Dr  
→ Increase - Cr

4. Revenue → Decrease - Dr  
→ Increase - Cr

5. Owner equality → Decrease - Dr  
→ Increase - Cr

Example:

i) Purchase Furniture Tk. 100,000

Furniture A/c Dr 1,00,000

Cash A/c Cr 1,00,000

ii) Paid salary Tk. 50,000

Salary A/c Dr 50,000

Cash A/c Cr 50,000

iii) Purchase goods Tk. 20,000 on account → गरिष्ठ

Purchase A/c Dr 2,000

Account payable A/c Cr 2,000 (Tk. increase 22%)

iv) Receive cash for service Revenue Tk. 50,000

Cash A/c Dr 50,000

Service Revenue A/c Cr 50,000

✓ Owner withdraw cash Tk 50,000 for his personal uses

withdraw A/c Dr 50,000

cash A/c Cr 50,000

Sell pc 2,00,000 → Revenue

Purchase them 1,50,000 → Expense

50,000 → Net Income

23/10/24

### Golden Rules of Accounting

i) Personal Account:

Receiver A/c Dr

Giver A/c Cr

Example: Mim received Tk 1,00,000 from Asha

Mim A/c Dr 1,00,000

Asha A/c Cr 1,00,000

ii) Real Account (Assets)

What coming Dr

What goes Cr

Purchase land Tk. 50,000

land A/c Dr 50,000

cash A/c Cr 50,000

iii) Nominal Account: Revenue / Expenses

Expenses / Losses A/c Dr

Revenue / Gains A/c Cr

Salary paid Tk 60,000

Salary A/c Dr 60,000

Cash A/c Cr 60,000

Received Tk 70,000 for salary purpose

Cash A/c Dr 70,000

Salary (Revenue) A/c Cr 70,000

Purchase - cost

খাফি আফ্রান → Expense

2nd hand sell -

Salvage value

International Account  
Standard

IAS-1 Presentation of financial statement

There are five elements of financial statement:

i) Statement of financial position

ii) Statement of comprehensive income or income statement

iii) Statement of change in equity

iv) Statement of cash flow

v) Note

☞ Principle of Accounting information system:

→ Cost savings

→ Usefulness

→ Flexibility

→ Effectiveness



30/10/24

## Elements of financial statements;

There are 10 elements of financial statement:

- i) Assets (Furniture, cash)
- ii) Liabilities (Acc. payable, bank loan)
- iii) Owners equity
- iv) Investment by owner (Additional capital)
- v) Distribution to owner (Withdrawn / Drawing)
- vi) Comprehensive income
- vii) Revenues (Service Revenue)
- viii) Expenses (Paid salary)
- ix) Gains (selling > purchase)
- x) Losses (selling < purchase)

Revenue - Expensive  $\Rightarrow$  Net income

04/11/24

## Recognition and Measurement concept

### a) Assumption:

- i) Business Entity Assumption
- ii) Monetary Unit
- iii) Time period
- iv) Going concern

### b) Principle:

- i) Revenue Recognition Principle
- ii) Matching
- iii) Full disclosure
- iv) Cost principle

### c) Constraints

- i) conservatism constraint
- ii) materiality
- iii) cost-benefit Analysis
- iv) Industries practices

06/11/24

## Rules of closing Entries:

i) For all expenses:

Income summary A/c Dr

All expenses A/c Cr

Example: i) Salary paid Tk 50,000

Salary A/c Dr 50,000

Cash A/c Cr 50,000

Income summary A/c Dr 50,000

Salary A/c Cr 50,000

Paid Rent Tk 10,000

Utilities expenses Tk 20,000

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ii) For all Revenue:

Revenue A/c Dr

Income summary A/c Cr

iii) For net income:

Income summary A/c Dr

Capital A/c Cr

iv) For net losses:

Capital A/c Dr

Income summary A/c Cr



✓) For drawing / withdraw:

Capital A/c Dr

Drawing / withdraw A/c Cr

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MAH Limited company shows it's net income Tk 10,00,000 Salaries expenses Tk 1,00,000, Rent expenses 50,000 utilities expenses Tk 20,000 Service revenue Tk 20,000 Rent Revenue Tk 50,000 AAH withdraw Tk 1,00,000 for his personal uses. Shows the closing entries

⇒ MAH limited closing entries for the month ended

Serial	Account title	Ref.	Debit (Dr)	Credit (Cr)
1	Income summary A/c Dr Capital A/c Cr		10,00,000	10,00,000
2	Income Sum Salary A/c Dr Rent expense Cr Salary expense Cr Utilities " Cr		1,70,000	50,000 1,00,000 20,000
3	Service Revenue Dr Rent " Dr Income Summary Cr		2,00,000 50,000	2,50,000
4	Capital A/c Dr withdrawal Cr		1,00,000	1,00,000

18 Nov 24

important  
1 set

The following transactions are given of MBSTU Limited for Dec 31, 2023

- 1) Dec-1 The MBSTU Ltd investment in Tk 5,00,000
- 2) Dec-5 Purchase equipment for office purpose Tk 1,00,000
- 3) Dec-10 Received Tk 3,00,000 for Service Revenue
- 4) Dec-12 Paid salary employees Tk 1,50,000
- 5) Dec-15 Paid office rent Tk 30,000
- 6) Dec-20 Purchase Generator Tk 50,000
- 7) Dec-25 Received Tk 2,00,000 for Service Revenue
- 8) Dec-30 The authority withdraws cash Tk 50,00 for personal uses

### Requirement

- a) Show the journal Entries
- b) Post journal entries to the ledger Acc.
- c) Prepared the trial balance to the MBSTU Ltd for Dec 31, 2023
- d) Prepared the trial Account/Balance sheet of MBSTU Ltd on Dec 31, 2023

⇒ a)

Date	Account title	Post	Debit Tk	Credit Tk
Dec 1, 2023	Cash A/c Dr Capital A/c Cr		5,00,000	5,00,000
Dec 5, 2023	Equipment A/c Dr Cash A/c Cr		1,00,000	1,00,000



Dec 10, 2023	Cash A/c Dr Service Revenue A/c Cr	3,00,000	3,00,000
Dec 12, 2023	Rent A/c Dr Cash A/c Cr	30,000	30,000
Dec 20	Generator A/c Dr Cash A/c Cr	50,000	50,000
Dec -25	Cash A/c Dr Service Rev A/c Cr	2,00,000	2,00,000
Dec -30	Withdrawal A/c Dr Cash A/c Cr	50,000	50,000

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### Cash Account Ledger



Date	Account title	Ref	Debit Tk	Cr Tk	Balance
Dec 1, 2023	Capital A/c		500,000		5,00,000
Dec 5, 2023	Equipment A/c		1,00,000		1,00,000
Dec 10	Service Revenue		3,00,000		7,00,000
Dec 12	Salary			1,50,000	5,50,000
Dec 15	Rent A/c			30,000	5,20,000
Dec 20	Generator			50,000	4,70,000
Dec 25	Service Revenue		2,00,000		6,70,000
Dec 30	withdrawal A/c			50,000	6,20,000

# Capital A/c Ledger

Date	Account title	Ref	Dr Tk	Cr Tk	Balance
Dec 1, 2023	cash A/c			5,00,000	5,00,000

# Equipment A/c Ledger

Date	Account title	Ref	Dr Tk	Cr Tk	Balance
Dec 5, 2023			1,00,000		1,00,000