

Modern Rules of Accounting:

Debit → Dr

Credit → Cr

1. Assets → Increase → Dr
অসম্পদ Decrease → Cr

2. Expenses → Increase → Dr
ব্যয় Decrease → Cr

3. Liabilities
দায়

4. Revenue
আয়

5. Owner equity

Decrease → Dr

Increase → Cr

Example :

1. Purchase furniture TK - 100000

Furniture A/c Dr 10,0000

Cash A/c Cr 10,0000

Account
A/C

Dr প্রদান
আজ নিম্ন
হয়

2. Paid Salary TK 50,000

Salary A/c Dr 50,000

Cash A/c Cr 50,000

3. purchase goods TK 20000 on account
বাকিতে

purchase A/c Dr 20000

Account payable A/c Cr 20000

পাওনাদার

4. Receive cash for service Revenue TK. 50,000

cash A/c Dr 50,000

service Revenue A/c Cr 50,000

5. Owner withdraw cash TK. 50,000 for his/her personal use.

withdraw A/c Dr 50,000

cash A/c Cr 50,000

□ Golden Rules of Accounting:

1. Personal Account → Receiver A/c Dr
Giver A/c Cr
2. Real Account (Assets) → what's come in Dr
what goes out Cr
3. Nominal Account → Purchase Land TK 50,00000
(Expense / Revenue) Land A/c Dr 50,00000
Cash A/c Cr 50,00000

1. Personal Account : Example:

Mim received TK 100,000 from Asha

Mim A/c Dr 100,000

Asha A/c Cr 100,000

2. Real Account : Example:

~~Purchase land TK 50,00000~~

Purchase Land TK 50,00000

Land A/c Dr 50,00000

Cash A/c Cr 50,00000

3. Nominal Account : Example:

3. Expenses/Loses A/c Dr

Revenue/Gains A/c Cr

① Salary paid TK 60,000

salary A/c Dr 60,000

cash A/c Cr 60,000

② Received TK 70,000 for salary purpose/service revenue

Cash A/c Dr 70,000

Received salary/Revenue A/c Cr 70,000

□ ~~Expe~~ Revenue ^{cost} 200000

Expenses 150000

Net Income → 50000

5 Mar 5 marks

IAS - International Accounting Standards

IAS-1 : presentation of financial statements

There are five elements of financial statement:

1. Statement of financial position
2. statement of comprehensive income or income statement
3. Statement of change in equity
4. statement of cash flow
5. Note

□ Principle of Accounting (Book)
~ Kieso and Kimnel

▣ Principles of Accounting information System

→ cost saving

→ usefulness

→ Flexibility

→ Effectiveness

} Definition / Explanation

□ Elements of financial statements :

There are 10 elements of financial statements

(Definition
+
example)

- ① Assets (furniture, cash, building etc)
- ② Liabilities (Account payable, bank loan)
- ③ Owner's equity (owner's capital)
- ④ Investment by owners (Additional capital)
- ⑤ Distribution to owners (Withdrawal / Drawing)
- ⑥ Comprehensive income
- ⑦ Revenues (service Revenue)
- ⑧ Expenses (paid salary)
- ⑨ Gains (selling > purchase)
- ⑩ ~~Losses~~ Losses (selling < purchase)

$$\text{Revenue} - \text{Expenses} = \text{Net Income}$$

Recognition and Measurement concepts

a) Assumption

1. Business Entity Assumption

2. Monetary unit "

3. Time period

4. Going concern "

সকলোর
Details পড়তে
হবে।

b) Principles

1. Revenue Recognition principle

2. Matching "

3. Full Disclosure

4. Cost principle

c) Constraints

1. Conservatism Constraint

2. Materiality "

3. Cost-benefit Analysis

4. Industries practices

Rules of closing ~~Entities~~ Entries

1. For all expenses :

Income summary A/c Dr

All expenses A/c Cr

Example

1. 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 expense Tk 20,000

*
Income summary A/c Dr. 10,000
Rent A/c Cr. 10,000

*
Income summary A/c Dr 20,000
Utilities expense A/c Cr 20,000

~~Income~~

Rules of closing Entries

① For all expenses:

Income summary A/c Dr

Expense A/c Cr

② For all Revenue:

Revenue A/c Dr

Income summary A/c Cr

③ For net income:

Income summary A/c Dr

Capital A/c Cr

④ For net losses:

capital A/c Dr

~~Dr~~ Income summary A/c Cr

⑤ For Drawing / withdrawal

capital A/c Dr

Drawing / withdrawal A/c Cr

MAH Limited company shows its Net income 10,00,000;

Salaries expenses TK 100000; Rent expenses TK

50,000; Utilities expenses TK. 20,000; Service

Revenue TK 20,0000; Rent Revenue TK 50,000;

MAH withdraw TK 100000 for his personal uses.

Shows the closing entries.

Solⁿ:

For net income

Income summary A/c Dr 10,00,000

Capital A/c Cr 10,00,000

For all expenses

Income summary A/c Dr 100000

① * Income summary A/c Dr. 170,000

Salaries exp.

Cr. 100,000

Rent exp.

Cr. 50,000

Utilities exp.

Cr. 20,000

X

② Income summary A/c Dr. 10,00,000

Capital

A/c

Cr. 10,00,000

③ Service Revenue A/c Dr. 20,0000

Rent

Revenue

A/c Dr. 50,000

Income summary A/c

Cr. 250,000

④ Capital A/c Dr. 10,0000

Withdrawal

A/c

Cr.

100000

Soln

MAH Limited Com.

closing Entries

For the month ended

Serial	Account Title	Ref	Debit (Dr.) TK	Credit (Cr.) TK
(1)	Income Summary A/c Dr. Capital A/c Cr.		10,00,000	10,00,000
(2)	Income Summary A/c Dr. Salary expenses A/c Cr. Rent expenses A/c Cr. Utilities " A/c Cr.		170,000	1,00,000 50,000 20,000
(3)	Service Revenue A/c Dr. Rent Revenue A/c Dr. Income Summary A/c Cr.		2,00,000 50,000 -	2,50,000
(4)	Capital A/c Dr. Withdrawal A/c Cr.		10,0000	10,00000

next journal

▣ 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. 100,000
- 3) Dec-10 Received TK. 3,00,000 for service Revenue.
- 4) Dec-12 Paid Salary employees TK 150,000
- 5) " - 15 Paid office Rent TK. 30,000
- 6) " - 20 Purchase Generator TK. 50,000
- 7) " - 25 Received TK. 2,00,000 for service Revenue
- 8) " - 30 The authority withdraws cash TK. 50,000
for personal cases.

Requirement

- a) shows the Journal entries.
- b) Post Journal entries to the ledger Account.
- c) Prepared the trial balance to the MBSTU Ltd
for Dec. 31. 2023

d) Prepared the final Account / Balance sheet
of the MBSTU Ltd on Dec 31, 2023.

Solution

Req-(a):

Date	Account Title	Rent	Debit TK.	Credit TK
Dec. 1, 2023	Cash A/c Dr. Capital A/c Cr.		5,00,000	5,00,000
"-5	Equipment A/c Dr. Cash A/c Cr.		1,00,000	1,00,000
"-10	Cash A/c Dr. Service Revenue A/c Cr.		3,00,000	3,00,000
"-12	Salary A/c Dr. Cash A/c Cr.		1,50,000	1,50,000
"-15	Rent A/c Dr. Cash A/c Cr.		30,000	30,000
"-20	Generator A/c Dr. Cash A/c Cr.		50,000	50,000
"-25	Cash A/c Dr. Service Revenue A/c Cr.		2,00,000	2,00,000
"-30	Withdrawal A/c Dr. Cash A/c Cr.		50,000	50,000