**Journal – illustrations**

**Transaction #1:**On December 1, 2019, Mr. Donald Gray started Gray Electronic Repair Services by investing $10,000. The journal entry should increase the company's Cash, and increase (establish) the capital account of Mr. Gray; hence:

| **Date 2019** | | **Particulars** | **Debit** | **Credit** |
| --- | --- | --- | --- | --- |
| Dec | 1 | Cash® | 10,000.00 |  |
|  |  | Mr. Gray, Capital(p) |  | 10,000.00 |
|  |  |  |  |  |

**(BEING COMMENCEMENT OF BUSINESS) - Narration**

**Transaction #2:** On December 5, Gray Electronic Repair Services paid registration and licensing fees for the business, $370.

First, we will debit the expense (to increase an expense, you debit it); and then, credit Cash to record the decrease in cash as a result of the payment.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 5 | Taxes and Licenses | 370.00 |  |
|  |  | Cash |  | 370.00 |

**Transaction #3:** On December 6, the company acquired tables, chairs, shelves, and other fixtures for a total of $3,000. The entire amount was paid in cash.

There is an increase in an asset account (Furniture and Fixtures) in exchange for a decrease in another asset (Cash).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 6 | Furniture and Fixtures | 3,000.00 |  |
|  |  | Cash |  | 3,000.00 |