

Ch1 Accounting in Action II

❖ 四大報表

報導期間	正式名稱	國內用語	Kieso Ch1
單一時點	Statement of Financial Position (Balance Sheet)	資產負債表	NA
一段特定 期間	Statement of Comprehensive Income	綜合損益表	簡化為「損益表」
	Statement of Cash Flows	現金流量表	NA
	Statement of Changes in Equity	權益變動表	簡化為「保留盈餘表」

❖ 會計基本方程式 review:

Assets = Liabilities + Equity

= Liabilities + (Share Capital + R/E)

= Liabilities + [Share Capital + (Revenues – Expenses) – Dividends]

1. Willow is the bookkeeper for EP Company. Willow has been trying to get the statement of financial position of EP Company to balance. EP's statement of financial position is as follows.

EP COMPANY

Statement of Financial Position

December 31, 2015

Assets		Liabilities	
Equipment	\$48,000	Accounts payable	\$33,000
Supplies	7,100	Accounts receivable	(12,500)
Cash	17,400	Share capital-ordinary	40,000
Dividends	<u>6,200</u>	Retained earnings	<u>18,200</u>
Total assets	<u>\$78,70</u>	Total equity and liabilities	<u>\$78,700</u>

Instructions

Prepare a correct statement of financial position.

EP COMPANY

Statement of Financial Position

December 31, 2015

 Assets

Equity and Liabilities

Equity

Liabilities

2. Prepare an income statement, a retained earnings statement, and a statement of financial position for the acupuncture practice of Lei Chen, from the items listed below for the month of September.

Retained earnings, September 1	¥12,000
Share capital-ordinary	30,000
Accounts payable	7,000
Equipment	27,000
Service revenue	24,000
Dividends	6,000
Supplies expense	3,500
Cash	8,000
Utilities expense	700
Supplies	2,800
Salaries and wages expense	9,000
Accounts receivable	14,000
Rent expense	2,000

LEI CHEN, ACUPUNCTURIST

Revenues

Expenses

LEI CHEN, ACUPUNCTURIST

Retained Earnings, September 1	¥12,000
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Retained Earnings, September 30	<u>¥14,800</u>
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LEI CHEN, ACUPUNCTURIST

Assets

Equity and Liabilities

Equity

Share capital-ordinary

Retained earnings

Liabilities

Accounts payable

Total liabilities and equity

Ch2 The Recording Process

❖ 借貸法則 Rule of Debit-Credit

1. Key Concept:

Debit (Dr.) and Credit (Cr.) simply mean left and right.

∴ You should NOT interpret “debit” and “credit” using their original meanings (i.e., debt = borrow and credit = loan)!!

2. Some Key Terms:

- a. **Debit the account** : Enter an amount on LEFT side
- b. **Credit the account** : Enter an amount on RIGHT side
- c. **Debit balance 借方餘額** : Debit total > Credit total
- d. **Credit balance 貸方餘額** : Debit total < Credit total
- e. **Zero balance 零餘額** : Debit total = Credit total

Assets = Liabilities + Equity

= Liabilities + (Share Capital + R/E)

= Liabilities + [Share Capital + (Revenues – Expenses) – Dividends]

∴ Assets + Expenses + Dividends = Liabilities + Share Capital + Revenues

Debit these accounts
when they increase

Credit these accounts
when they increase

❖ STEPS IN THE RECORDING PROCESS

Step 1: Transaction Analysis 分析交易

1. 注意：區分經濟事件與交易事件

Step 2: Journalizing 登帳(做分錄)

1. **Journal 日記簿** = The book of original entry(分錄).
 ➡ The most basic form of journal is the *General Journal* 普通日記簿
2. Journalizing = Enter transaction in journal using “entries”
3. Simple(簡單) vs Compound(複合) journal entries
4. 任何交易的分錄都有借、貸方 ➡ **複式簿記 Double-entry system**
5. 做分錄時不加金錢符號

Step 3: Posting 過帳

1. **Ledger 分類帳** = Entire group of accounts maintained by a firm.
2. Posting = Transfer entries to ledger accounts
3. T-account(T 字帳)
4. 不用加金錢符號

❖ 試算表 Trial Balance

1. Definition:

A list of accounts and their balances **at a given time**. (靜態) Usually, the trial balance is prepared **at the end of an accounting period**.

2. Purposes:

- Prove the mathematical equality of debits and credits after posting.
- Uncover errors** in journalizing and posting.
- Useful in preparing the financial statements.

3. Limitation:

A trail balance **cannot** prove that all transactions have been recorded (完整性) or that the ledger is correct.

即使發生下列錯誤仍會平衡：

- 交易忘記做分錄
- 有做分錄，但忘記過帳
- 同一分錄過帳兩次
- 做分錄時使用錯誤的科目名稱
- 錯誤自己相消 (offsetting errors)

❖ 分錄格式

10/3	Cash	2,000	
	Share Capital—Ordinary		2,000
	(Issued shares for cash)		

- 開頭第一個字母須大寫
- 貸方科目及金額要往右平移