

Problem: On 1st January, 2000 Mr. Kashem started a cloth shop business with a capital of Tk. 40,000.00

His transaction for the month were-

- January-2 : Purchased furniture for shop Tk.5,000.00
- January-4 : Purchased cloths (goods) for cash Tk.8,000.00
- January-5 : Purchased goods on credit from Habib Tk.7,000.00
- January-6 : Sold goods for cash Tk.10,000.00
- January-8 : Sold goods to Selim credit Tk.6,000.00

Show the effect on equation above these Journal.

Solution:

1. January 01, 2000

Cash A/C Dr	Tk.40,000.00
Capital A/C Cr.	Tk.40,000.00

Effect on equation:

$$A = L + OE$$

$$\text{Or, (+) } 40000.00 = 0 + 40000.00$$

$$40000.00 = 40000.00$$

Note: It is a transaction because it impacts on Accounting equation.

2. January 02, 2000

Furniture A/c Dr.	Tk.5,000.00
Cash A/c Cr.	Tk.5,000.00

Effect on equation

$$A = L + OE$$

$$\text{Or, (+) } 5000.00 = 0 + 0$$

$$\text{Or, (-) } 5000.00 = 0$$

$$0 = 0$$

Note: It is a transaction because it impact on Accounting equation.

3. January 04, 2000

Purchase A/c Dr Tk. 8,000.00

Cash A/c Cr Tk. 8,000.00

Effect on equation

$$A = L + OE$$

$$\text{Or, } (-) 8000.00 = 0 + (-) 8,000.00$$

$$\text{Or, } (-) 8000.00 = (-) 8000.00$$

Note: It is a transaction because it impact on Accounting equation.

4. January 05, 2000

Purchase A/c Dr. Tk. 7,000.00

Habib A/c Cr. Tk. 7,000.00

Effect on equation

$$A = L + OE$$

$$\text{Or, } 0 = 7000.00 + (-) 7,000.00$$

$$\text{Or, } 0 = 7000.00 - 7000.00$$

$$0 = 0$$

Note: It is a transaction because it impact on Accounting equation.

5. January -6, 2000

Cash A/c Dr Tk. 10,000.00

Sales A/c Cr. Tk. 10,000.00

Effect on equation

$$A = L + OE$$

$$\text{Or, } 0 = 10000.00 + 10,000.00$$

$$\text{Or, } 0 = 10000.00 - 10000.00$$

$$0 = 0$$

Note: It is a transaction because it impact on Accounting equation.

6. January-8, 2000

Selim A/c	Dr	Tk.6,000.00
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Sales A/c	Cr	Tk.6,000.00
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Effect on equation

$$A=L+OE$$

$$\text{Or, } (+) 6000.00 = 0 + (+) 6000.00$$

$$\text{Or, } 6000.00 = 0 + 6000.00$$

$$6000.00 = 6.000.00 ,$$

Note: It is a transaction because it impact on Accounting equation.