

Software for Accountancy

ERPNext

| Accounting Module

Double Entry Accounting

- ระบบบัญชีคู่
- Every financial transaction is recorded in at least two entries.
 - Debit (*Dr.*) entry
 - Credit (*Cr.*) entry
- **Debit = Credit**
- Why?: provides consistency check

Type of Accounts

Type	Type (Thai)	Definition
Asset	สินทรัพย์	Things you own
Liability	หนี้สิน	Things you owe
Equity	ส่วนของผู้ถือหุ้น	Things you invest
Income	รายได้	"Income" (duh)
Expense	ค่าใช้จ่าย	"Expense" (duh)

Debit	Credit
Asset Expense	Equity Liability Income

*The account balances
in ERPNext will be
increasingly **positive**.*

*The account balances
in ERPNext will be
increasingly **negative**.*

	Posting D...	Account	Debit (THB)	Credit (THB)	Balance (THB)	Voucher Type	Voucher Subtype	Voucher No
1		Opening	0.000	0.000	0.000			
2	31-10-20...	Creditors - IE	0.000	100.000	-100.000	Purchase Invo...	Credit Note	ACC-PINV-2024-00...
3	31-10-20...	Stock Received But No...	93.460	0.000	-6.540	Purchase Invo...	Credit Note	ACC-PINV-2024-00...
4	31-10-20...	VAT - IE	6.540	0.000	0.000	Purchase Invo...	Credit Note	ACC-PINV-2024-00...
5		Total	100.000	100.000	0.000			
6		Closing (Opening + Tot...	100.000	100.000	0.000			

Account	Increase	Decrease
Asset	Add to Dr	Add to Cr
Liabilities	Add to Cr	Add to Dr
Equity	Add to Cr	Add to Dr
Income	Add to Cr	Add to Dr
Expenses	Add to Dr	Add to Cr

	Posting D...	Account	Debit (THB)	Credit (THB)	Balance (THB)
1		Opening	0.000	0.000	0.000
2	31-10-20...	Creditors - IE	0.000	100.000	-100.000
3	31-10-20...	Stock Received But No...	93.460	0.000	-6.540
4	31-10-20...	VAT - IE	6.540	0.000	0.000
5		Total	100.000	100.000	0.000
6		Closing (Opening + Tot...	100.000	100.000	0.000

You owe VAT less.

Accounting Example

• *Entry 1:* Sarah opened a business.

- Invested THB 70,000 (Equity)
- Borrowed from friend THB 30,000 (Liability)

Debit	Credit
Asset Expense	Equity Liability Income

Entry	Debit	Credit
1	Asset: 100,000 <i>Cash</i>	Equity: 70,000 Liability: 30,000 <i>Equity</i> <i>Loan</i>
	<i>Tot. Dr. = 100,000</i>	<i>Tot. Cr. = 100,000</i>

We will see negative balances here.

- *Entry 2*

- Saran bought equipment for THB 25,000 (expense).

Debit	Credit
Asset Expense	Equity Liability Income

Entry	Debit	Credit
1	Asset: 100,000	Equity: 70,000 Liability: 30,000
2	Expense: 25,000	Liability: 25,000
	<i>Tot. Dr. = 125,000</i>	<i>Tot. Cr. = 125,000</i>

Direct Expense

Creditors

- *Entry 3:* Sarah sold product for THB 50,000.

- Received money for THB 25,000.
- To be received for THB 25,000.

Debit	Credit
Asset	Equity
Expense	Liability
	Income

Entry	Debit	Credit
1	Asset: 100,000	Equity: 70,000 Liability: 30,000
2	Expense: 25,000	Liability: 25,000
3	Asset: 25,000 Asset: 25,000	Income: 50,000
	<i>Tot. Dr. = 175,000</i>	<i>Tot. Cr. = 175,000</i>

Cash

Debtor *

Sale

You will see negative balance for income here!

Accounting

| Hand-on

Hand-On

- Open a business
- Equity
 - John – 2000 THB
 - Mary – 3000 THB
- Expense
 - Rent - 500 THB
 - Salary – 200 THB
- Income
 - Service – 2000 THB

Practice

- Mary
 - 3000
- Create another expense
 - Salary

Financial Statements

- General Ledger: Transaction-level detail
- Balance Sheet: Assets, liabilities, equity snapshot
- Profit & Loss: Revenue and expense analysis
- Cash Flow: Liquidity tracking
- Trial Balance: Account verification
- Account Receivable: Customer debts
- Account Payable: Supplier debts