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***ASSIGNMENT NO. 01***

**FALL - 2023**

**DATE : 09/10/2023 SUBMISSION : 20/10/2023**

**Max Marks = 5**

**Rule of Debit & Credit**

(0.75 INCH) (0.5 INCH( 1 INCH 1 INCH

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DATE** | **PARTICULAR** | **P.R.** | **DEBIT** | **CREDIT** |
|  | Assets (Current/ Fixed) |  | Increase | Decrease |
|  | Expenses |  | Increase | Decrease |
|  |  |  |  |  |
|  | Liabilities (Current/ Fixed) |  | Decrease | Increase |
|  | Sales/Income/Revenue/Fee/ |  | Decrease | Increase |
|  | Owner Equity (Capital, Drawing) |  | Decrease | Increase |

**Steps of Analysis**

1. Accounts involve / Title.
2. Nature of Accounts.
3. Increases & Decrease.
4. Debit & Credit.
5. Amount.

For example :

1. **Investment of Cash in the business Rs. 60,000 .**
2. Cash Capital
3. *Assets Owner Equities*
4. *Increases* Increases
5. Debit/ Dr. Credit/ Cr
6. 60,000 60,000
7. **Purchase furniture with cash Rs.20,000.**

Cash Furniture

Assets Assets

Decrease increase

Cr Dr

20,000 20,000

1. Sale building in cash Rs.10,00,000.

Cash Building

Assets Assets

Increase decreases

Dr Cr

10,00,000 10,00,000

1. Sale supplies (Office Stationary) on account Rs. 2,000.

A/c Rec. Sale

Assets Revenue

Increase Increases

Dr Cr

2,000 2,000

**Sale On Credit/ on Accounts A/c Receivable (Assets) Debtor (Ahmed)**

**Purchase On Credit/ On Accounts A/c Payable (Liability) Creditor (Ali)**

**Now try yourself as above.**

1. Commenced business with an investment of cash Rs. 30,000 and furniture worth Rs. 20,000.

CASH FURNITURE CAPITAL

A A O.E.

+ + +

DR DR CR

30000 20000 50000

1. Purchase equipment for cash Rs. 2,000.

Equipment Cash

1. Invested cash Rs. 30,000 and furniture Rs. 13,000 in the business .

Cash Furniture Capital

A A O.E.

+ + +

DR DR CR

30000 13000 43000

1. Purchase supplies for cash Rs. 1,700.
2. Purchased equipment on account Rs.2,500.

Equipment A/c Pay

A L

+ +

DR CR

1. Purchase supplies on account 2,500.

Supplies A/c Pay

1. Cash/ A/c Rec. sales for the day Rs.3,000.

Cash/Ac Rec Sale

A R

+ +

Dr CR

1. Purchased supplies for cash Rs.1,500.

Supplies Cash

1. Paid rent for October Rs. 1,000

Rent Exp Cash/ Account Pay

E A/ L

+ -/ +

Dr Cr.

1. Wages paid of employer Rs.2,700

Wages Exp Cash

1. Withdrew cash for personal use Rs.2,000

Drawing cash/ Merchandise/ Furniture/ Vehicle

O.E. A

- -

DR CR

2000 2000

1. Paid miscellaneous expenses Rz.550

Misc. Exp. Cash

E A

+ -

Dr Cr

1. Paid creditors (Ali) on account Rs. 1,400

A/c Pay Cash

Lia Asset

- -

Dr Cr

1400 1400

1. Received cash from Tariq (Debtor) on account Rs. 4,000

Cash A/c Receivable

A A

+ -

Dr Cr

4000 4000

1. Paid for insurance Rs. 900 cash.

Insurance Exp. Cash

E A

+ -

Dr. Cr

1. Started business with cash Rs.18000.

Cash Capital

A O.E.

+ +

Dr. Cr

18000 18000

1. Purchase merchandise/ Goods/ Inventory/ Stock on account Rs. 6,000

Purchase/ Inventory A/c Pay.

Exp./ Assets L

+ +

Dr. Cr.

6000/- 6000/-

1. Paid transport Exp. on account Rs.6,000.

A/c Pay. Cash

L A

- -

Dr. Cr

6000 6000

1. Sold merchandise on account Rs.12,000.

A/c Rec. Sales

A R

+ +

Dr Cr

1. Purchased store supplies for cash Rs. 1500
2. Paid salaries expense for cash Rs.2,000
3. Paid advertising expense Rs.2,000

**Sale Furniture on Cash Rs. 6000.**

Cash Sales

A R

+ +

DR CR

6000 6000

**Sale Furniture on credit Rs. 6000.**

A/c Receivable Sales

A R

+ +

DR CR

6000 6000

1. Received cash from customer on account Rs. 6,000

Cash A/c Receivable

A A

+ \_

DR CR

6000 60

1. Paid creditors on account Rs.3,000.

A/c Pay Cash

L A

- -

Dr Cr

1. Withdrew cash for personal use Rs.1,000
2. Sold merchandise on account Rs.12,000