



20 VERY SHORT ACCOUNTING Q&A



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|------------------------------|------------------------------------|
| 1. What is accounting? | – Recording financial transactions |
| 2. What is an asset? | – Resource owned by a business |
| 3. What is a liability? | – Amount owed to others |
| 4. What is equity? | – Owner's interest |
| 5. What is revenue? | – Income earned |
| 6. What is an expense? | – Cost incurred |
| 7. What is profit? | – Revenue minus expenses |
| 8. What is a ledger? | – Book of accounts |
| 9. What is a journal? | – Book of first entry |
| 10. What is a trial balance? | – List of balances |
| 11. What is depreciation? | – Asset value reduction |
| 12. What is inventory? | – Goods for sale |
| 13. What is cash flow? | – Movement of cash |
| 14. What is a balance sheet? | – Financial position statement |
| 15. What is double entry? | – Two-sided recording |
| 16. What is a debit? | – Left side entry |
| 17. What is a credit? | – Right side entry |
| 18. What is capital? | – Owner's investment |
| 19. What is goodwill? | – Intangible value |
| 20. What is audit? | – Financial review |

Details			Money In			Money Out							Reconciled
Date	Description	Ref	Sales	Bank Interest	Total In	Station-ery	Office Equip.	Internet	Drawings	Bank Fees	Total Out	Bank Balance	
1-Apr	Balance b/f				200.00							200.00	R
4-Apr	Folders and pens	1				15.00					15.00	185.00	R
15-Apr	Sale: Ms E Inkson	2	54.00		54.00							239.00	R
18-Apr	Sale: Mr R U Redy	3	30.00		30.00							269.00	R
19-Apr	Drawings	4							10.00		10.00	259.00	R
21-Apr	Envelopes & Stamps	5				20.00					20.00	239.00	R
24-Apr	Web host fees	6						40.00			40.00	199.00	R
27-Apr	Simply Chairs: Chair	7					127.00				127.00	72.00	R
29-Apr	Sale: Mr J Mighty	8	30.00		30.00							102.00	R
30-Apr	Bank Fee	9								2.50	2.50	99.50	R
30-Apr	Sale: Ms T Real	10	54.00		54.00							153.50	R
	Totals		168.00	0.00	368.00	35.00	127.00	40.00	10.00	2.50	214.50	153.50	C/f

YEAR: _____

MONTH: _____

Nº	DATE	ACCOUNT	DESCRIPTION	DEBIT	CREDIT	BALANCE
1						
2						
3						
4						
5						
6						
7						
8						
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ACCOUNTING

LEDGER BOOK

120 PAGE

Double Entry Bookkeeping

DEBIT (DR)

increases assets accounts

increases expense accounts

decreases liability accounts

decreases equity accounts

decreases revenue accounts

CREDIT (CR)

decreases assets accounts

decreases expense accounts

increases liability accounts

increases equity accounts

increases revenue accounts