

Hands-on Exercise



ACCOUNTING EQUATION ILLUSTRATION

Asset + Expense = Liability + Equity + Revenue

Business receives RM20,000 as equity from Business Owners

Cash (under Asset) increase : Debit Cash

Share Capital (under Equity) increase : Credit Equity

LHS = RHS; equation balanced

Entry affecting one item to be matched with entry affecting another to keep accounting equation in balance

Gives meaning to double-entry book-keeping

GNZ Business Alliances







