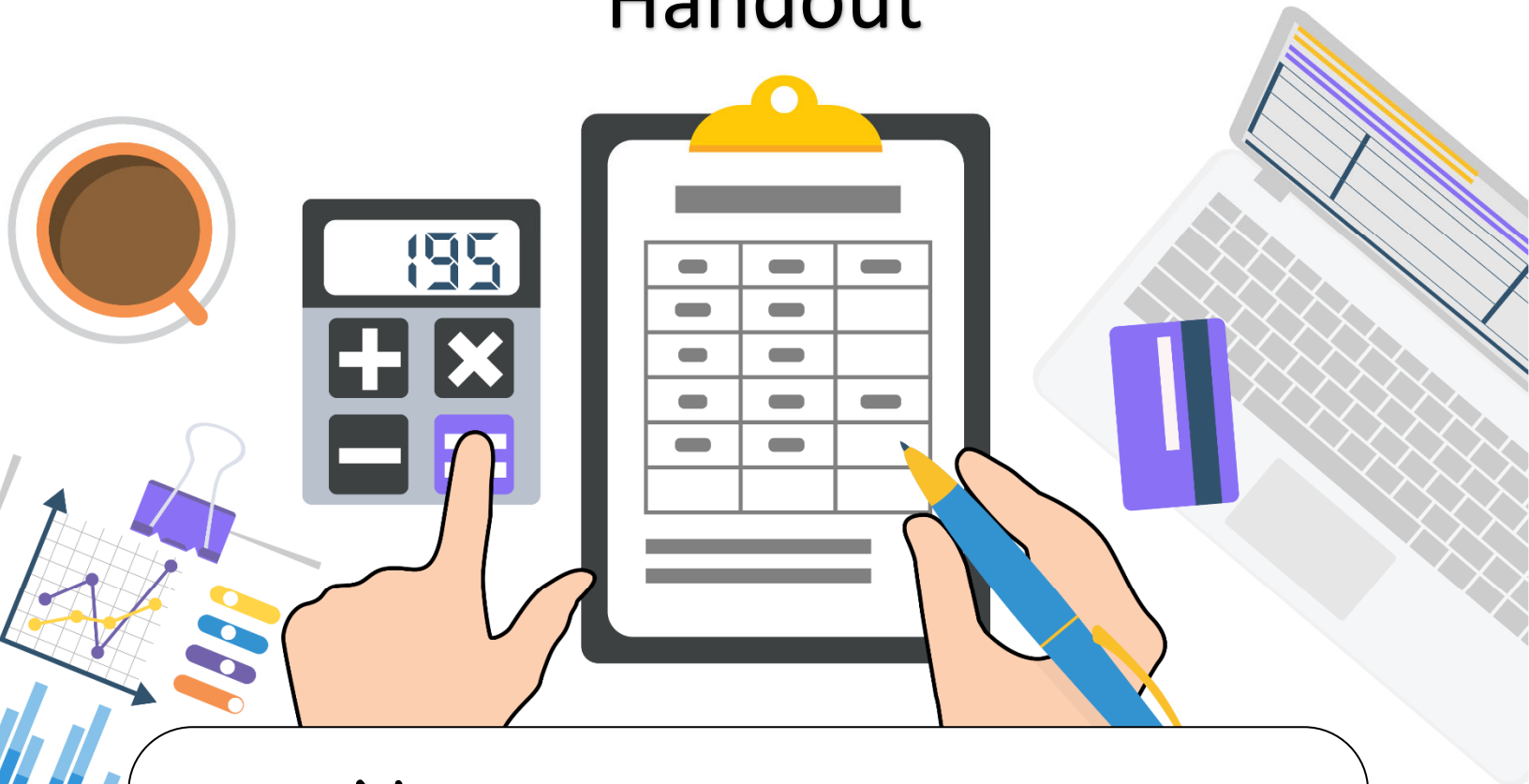


Accounting 111

Handout



Name:

ID:

Class:



المحتوى العلمي المطلوب في مقرر (محا111) للفصل الثاني من العام الدراسي 2022/2021م

المسار: توحيد المسارات

اسم المقرر ورمزه: مبادئ المحاسبة 1- محا111

الصف: المستوى الثاني

اسم الكتاب: Principles of Accounting

الملاحظات	الصفحة (من - إلى)	عنوان الدرس ورقمه	الفصل (الوحدة)
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	23 - 49	Accounting in Action	الثاني
	50 - 73	Analyzing and Journalizing Transactions	الثالث
شرح مثال واحد	74 - 103	Posting Journal Entries and Preparing Trial Balance	الرابع
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CH 2

Business Transactions and The Basic Accounting Equation

❖ Introduction:

A business is like a person, it can own and control property, but the property of the business is separate from the personal property of the owner. The property or items of value (resources) are called *assets*. Business also has a legal right to its assets in the form of rights or claims against these assets.

$$\text{PROPERTY} = \text{PROPERTY RIGHTS}$$

- Ex: if the firm has BD5000 of assets → it also has BD5000 claims against these assets.

The total claims of the assets are called *Equities*.
Claims of creditors are called *Liabilities*.
Claims of owners are called *Owner's Equity*.

$$\text{ASSETS} = \text{EQUITIES}$$

- Ex: Book page 17

❖ The Basic Accounting Equation (المعادلة المحاسبية)

$$\text{ASSETS} = \text{LIABILITIES} + \text{OWNER'S EQUITY}$$

$$\text{الأصول} = \text{الالتزامات} + \text{حقوق الملكية}$$

❖ Assets (الأصول)

Definition: anything (resources) owned by a business such as cash, equipment, furniture, building, etc.

❖ Liabilities (الالتزامات)

Definition: claims against the assets. They represent the use of credit to buy the assets.

- Ex: the amount of money borrowed by the business to buy an asset represents the creditor's claim against the asset which creates an *Account Payable*.

$$\text{LIABILITIES} = \text{ASSETS} - \text{OWNER'S EQUITY}$$

$$\text{الالتزامات} = \text{الأصول} - \text{حقوق الملكية}$$

❖ **Owner's Equity (حقوق الملكية)**

Definition: the owner's claims on total assets.

The account used to represent the owner's equity is called *Capital*.

Definition of capital: the investment made in the business by the owner.

$$\text{OWNER'S EQUITY} = \text{ASSETS} - \text{LIABILITIES}$$

$$\text{حقوق الملكية} = \text{الأصول} - \text{الالتزامات}$$

If the owner invests in an asset such as cash, equipment...

Assets → Increase

Owner's equity (capital) → Increase

❖ **Drawings (المسحوبات)**

Definition: an owner may take (withdraw) cash out of the business for private use.

Assets (cash) → Decrease

Owner's equity (capital) → Decrease

❖ **Revenues (الإيرادات)**

Definition: results from sale of goods and performance of services.

Assets (cash/acc. Receivable) → Increase

Owner's equity (capital) → Increase

- Ex: sales revenue, income fees, commission, etc.

❖ **Expenses (المصروفات)**

Definition: the cost of doing business.

مقدمة باللغة العربية عن المعادلة المحاسبية

قبل الحديث عن المعادلة المحاسبية لا بد من التعرف على ما يلي:

1. **الأصول Assets:** هي المصادر التي تملكها الشركة بحيث ينتج عنها منافع اقتصادية مستقبلية ، أي ممكن استخدامها لأكثر من فترة محاسبية واحدة. مثل: أرض ، معدات ، آلات ، نقدية.
2. **الخصوم liabilities:** هي إلتزامات الشركة اتجاه غير الملاك (المقرضين أو الدائنين) والتي يتوجب عليها سدادها سواء في الأجل القريب أو البعيد.
3. **حقوق الملاك Owner's Equity:** هي إلتزامات الشركة اتجاه الملاك أو هي ما يملكه أصحاب الشركة من أموال وأصول في نفس الشركة.

المعادلة الرياضية:

$$\text{الأصول} = \text{الخصوم} + \text{حقوق الملاك}$$

$$\text{Assets (A)} = \text{Liabilities (L)} + \text{Owner's Equity (OE)}$$

يمكن تفسير المعادلة المحاسبية بأن مصادر الحصول على الأصول هي من غير الملاك من خلال الاقتراض أو الدين وهي تمثل الخصوم ، أو من الملاك والتي تتمثل في حقوق الملكية.

حقوق الملكية Owner's Equity :

هنالك أربع نقاط رئيسية تؤثر على حقوق الملكية وهي:

- **استثمارات الملاك Investment:** هي الأصول التي يضيفها الملاك إلى رأس مال الشركة.
- **المسحوبات الشخصية Drawing:** هي الأصول التي يأخذها الملاك من الشركة لاستخداماتهم الشخصية ، مثل: النقدية.
- **الإيرادات Revenues:** هي الزيادة في الأصول نتيجة أنشطة الشركة الرئيسية من بيع البضائع والخدمات. مثل: بيع بضاعة نقداً مما يؤدي إلى زيادة النقد لدى الشركة الذي يعتبر من الأصول.
- **المصروفات Expenses:** هي النقص في الأصول نتيجة أنشطة الشركة التي تسعى للحصول على الإيرادات. مثل: رواتب العمالة المؤجرة للحصول على الإيرادات مما يؤدي إلى نقص النقد لدى الشركة والذي يعتبر من الأصول.

Assets (A)	الأصول	Liabilities (L)	الإلتزامات
Cash	السيولة النقدية	Notes Payable	أوراق الدفع
Supplies	اللوازم / القرطاسية	Loan Payable	قرض
Equipment	المعدات	Account Payable	حسابات دفع
land	أرض	Interest Payable	فوائد
Account Receivable	حساب قبض	Account Payable	حسابات دفع
Debtors	المدينون	Creditors	الدائنون
Inventory	المخزون	Wages Payable	الرواتب
Prepaid insurance	تأمين مسبق الدفع	Salaries payable	الرواتب
investment	استثمار	Owner Equity (OE)	حقوق الملكية
furniture	أثاث	Capital	رأس المال
truck	شاحنة نقل	invest	استثمار
Building	بناء	Revenue	الإيرادات
Cars	سيارات	Expense	المصاريف
Machines	آلات	Rent	اجار / إيجار
Premises	مبنى	insurance	التأمين
Computer	الحاسوب	Advertisement	الإعلانات
Vehicles	المركبات / السيارات	Drawing	مسحوبات شخصية

Collected / Received	جمع / تحصيل / استلام	On account / on credit	على الحساب
Net profit / income	صافي الربح	Performed	تقديم
Net loss	صافي الخسارة	Services	خدمات
Paid	دفع (نقداً)	Bought / Purchased	شراء
Increase	زيادة / ارتفاع	Decrease	نقص / انخفاض

$$\boxed{\text{الأصول}} = \boxed{\text{الإلتزامات}} + \boxed{\text{حقوق الملكية}}$$

$$\boxed{\text{Assets (A)}} = \boxed{\text{Liabilities (L)}} + \boxed{\text{Owner's Equity (OE)}}$$

Example:

Assets (A)	=	Liabilities (L)	+	Owner's Equity (OE)
BD 20,000	=	BD 8,000	+	BD 12,000

Exercises (Determine the missing amount)

Assets (A)	=	Liabilities (L)	+	Owner's Equity (OE)
BD 95,000	=	BD 5,000	+	BD
BD	=	BD 7,000	+	BD 92,000
BD 50,000	=	BD	+	BD 28,000

الأصول

=

الإلتزامات

+

حقوق الملكية

Assets (A) = Liabilities (L) + Owner's Equity (OE)

Accounting Equation

$A = L + OE$

$OE = A - L$

$L = A - OE$

**No Entry
No Effect**

Hired وظّف
Decided قرر
Agreed وافق
Ordered طلب
Accepted وافق
Suggest اقترح

Investment

Invested استثمر
Deposited اودع
Started بدأ
Contributed ساهم

**Services
Revenue**

Provided قدم
Performed نفذ
Completed اكمل
Earned حصل
Rendered قدم

Paid \ دفع

**Purchased
=
Bought**

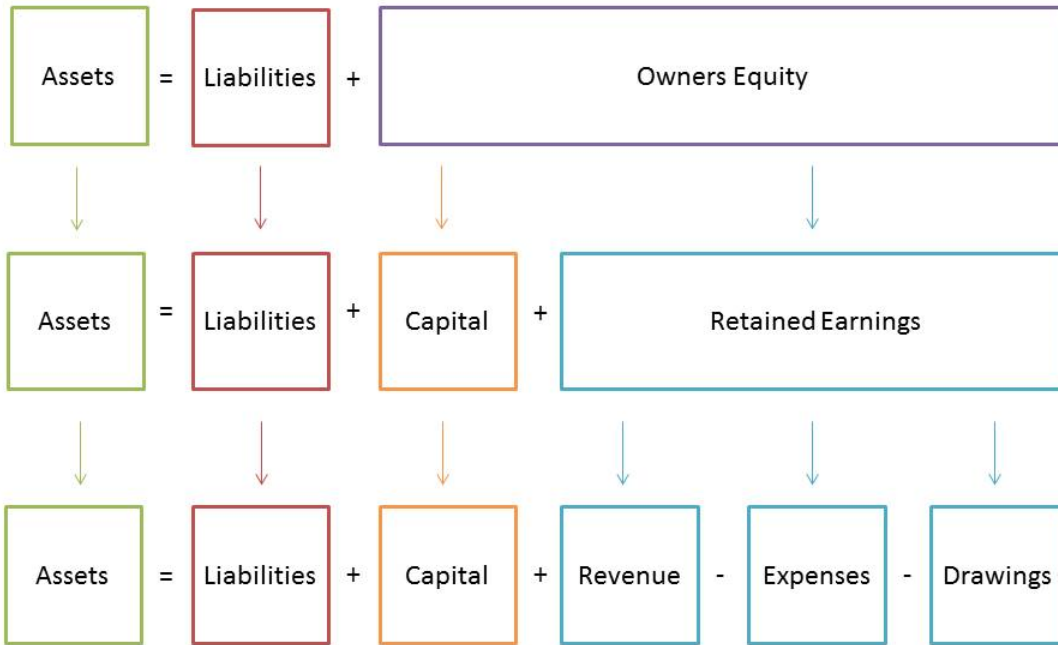
**Withdrew
=
Took**

**Credit
على الحساب**

On Credit / On account / Billed

CH 2

The Expanded Accounting Equation



الأصول = الإلتزامات + حقوق الملكية

Assets (A) = Liabilities (L) + Owner's Equity (OE)

A) Current Assets Cash- Short term investment- Account Receivable- Notes Receivable- Supplies-Inventory- Pre paid Expenses.

B) Plant (Fixed) Assets Land- Building- Premises-Machines- Trucks- Motor Van – Motor Vehicle- Equipment –Furniture.

C) Intangible Assets Patent-Goodwill- Copyright- Trademarks- Trade Names- Franchises -License s- Research and Development.

A) Current Liabilities Account Payable-Notes Payable-Accrued Expenses-Unearned Services Revenues – Bank over draft

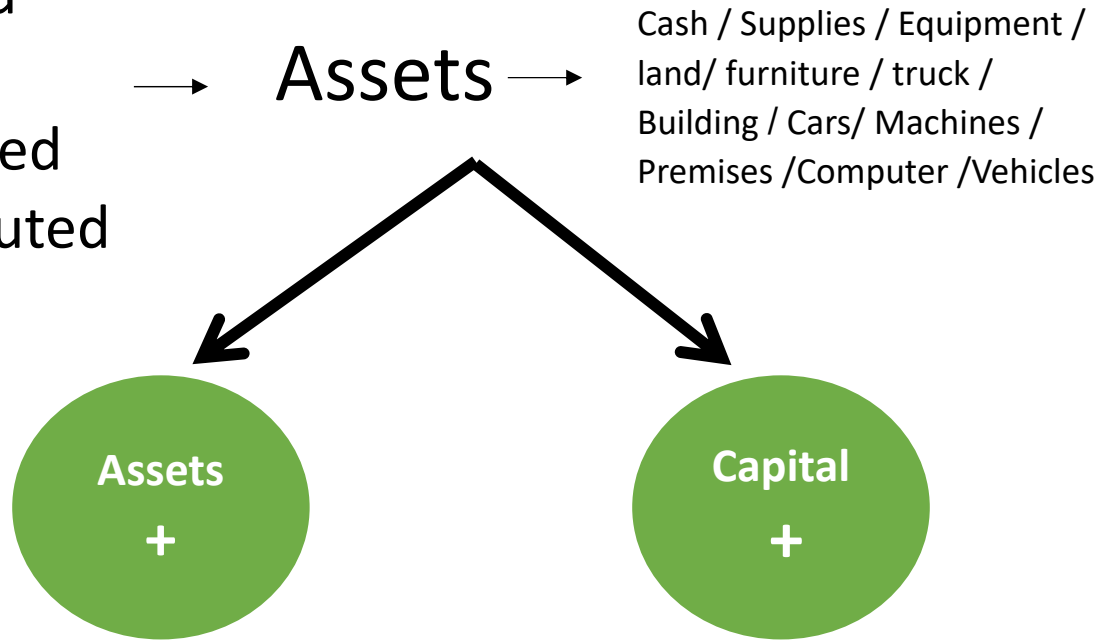
B) Long-term Liabilities Bonds Payable- Mortgage Payable- Notes Payable (due over one year) - Loans.

Investment ↑ (Increase +)
 Revenue ↑ (Increase +)
 Fees earned / Services / commission / sales
 Drawing ↓ (Decrease -)
 Expenses ↓ (Decrease -)
 Rent / Wages / insurance Salaries / Advertisement

The effect on the Basic Accounting Equation only

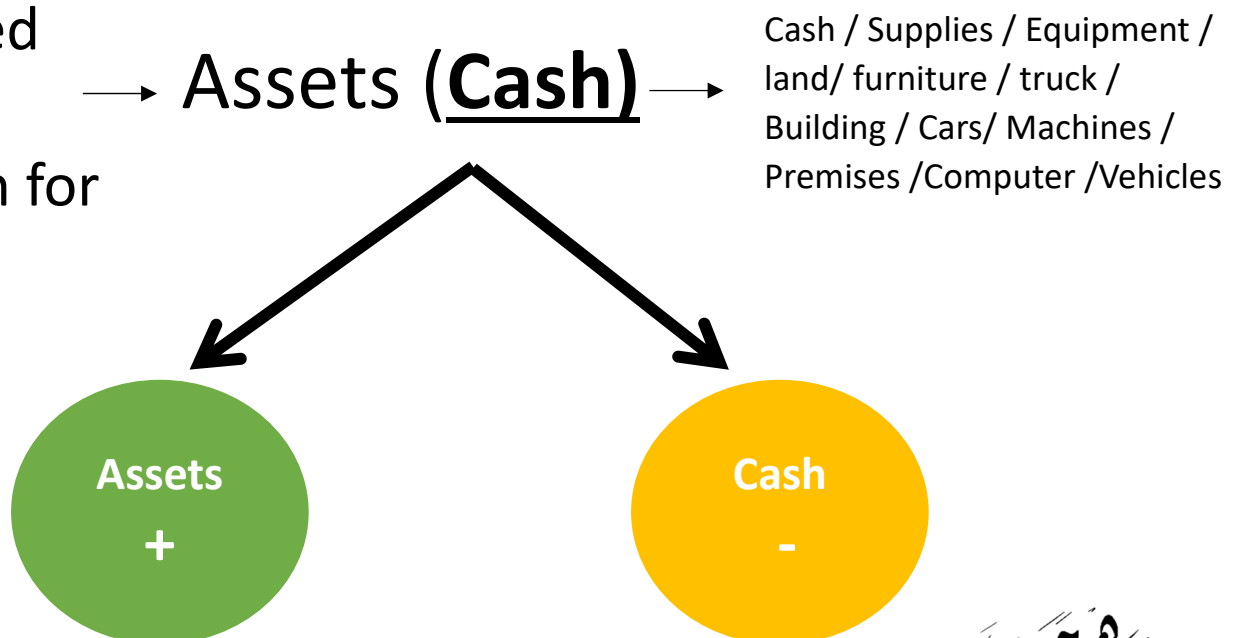
* Investment of assets الاستثمار

Invested
Started
Deposited
Contributed

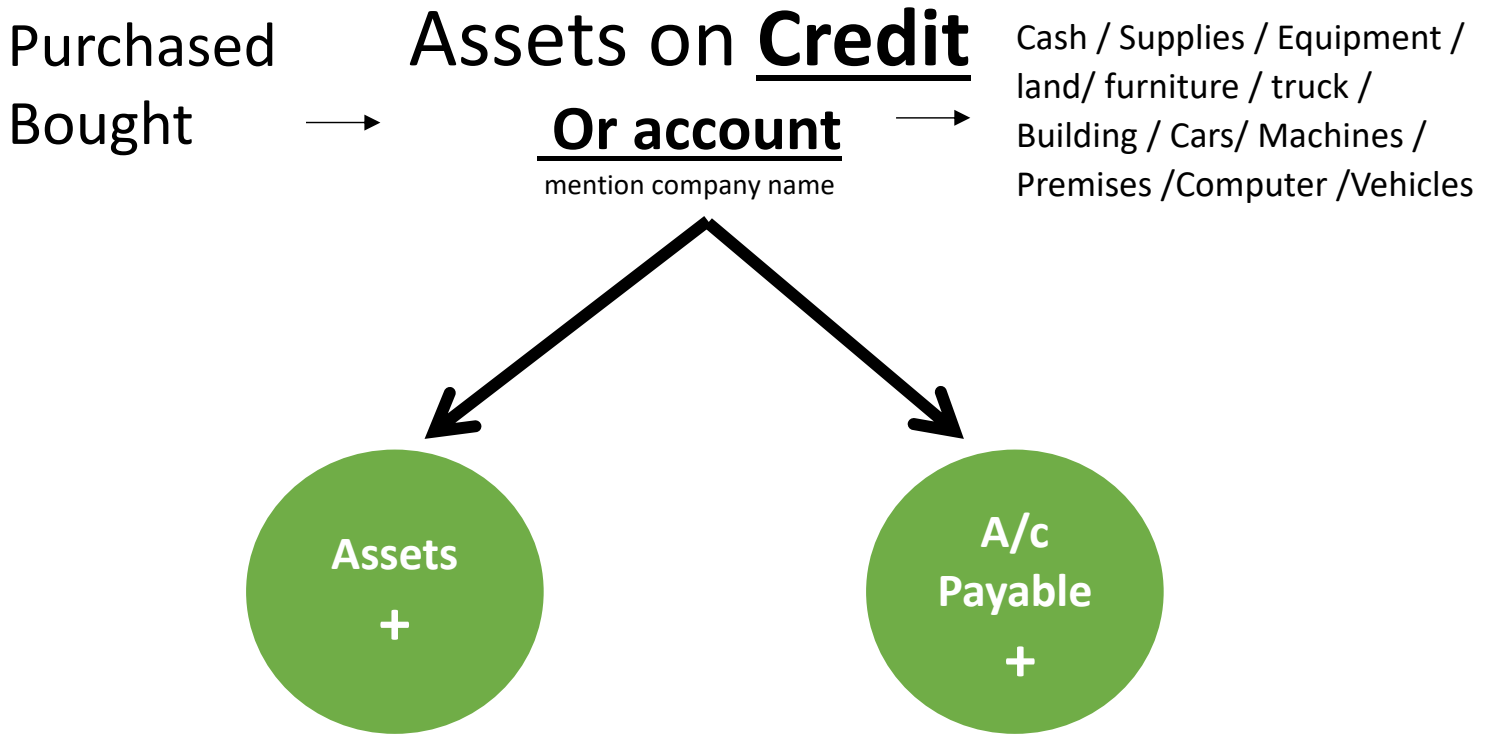


* Purchased of assets شراء الأصول

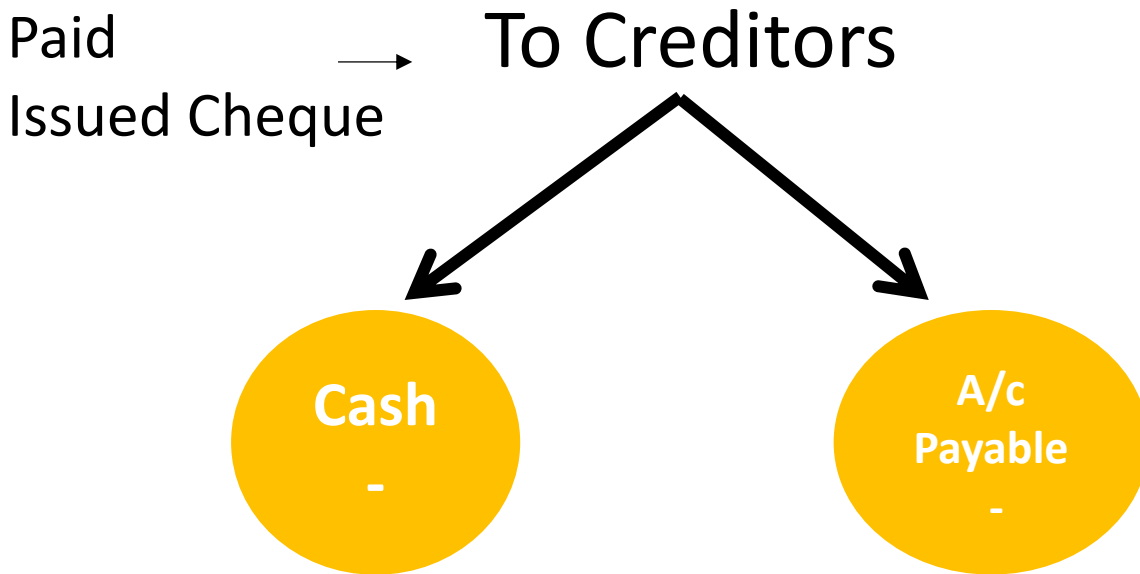
Purchased
Bought
Paid cash for



* Purchased of assets شراء الأصول

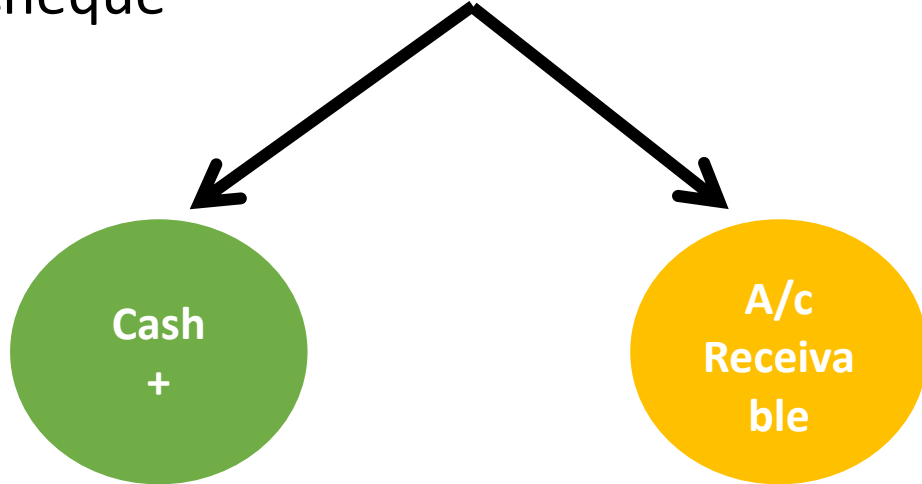


* Payment to Creditors دفع الديون المستحقة على الشركة



* Received from Debtors استلام الديون المستحقة على الزبائن

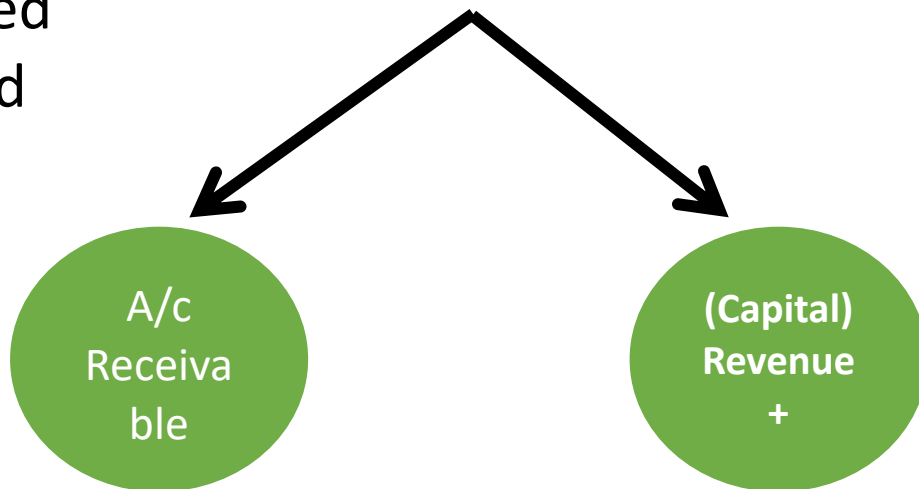
Received
Received Cheque → From Debtors



* Performed services تقديم خدمات

Completed
Earned
Provided
Performed
Rendered → services on account(Credit)

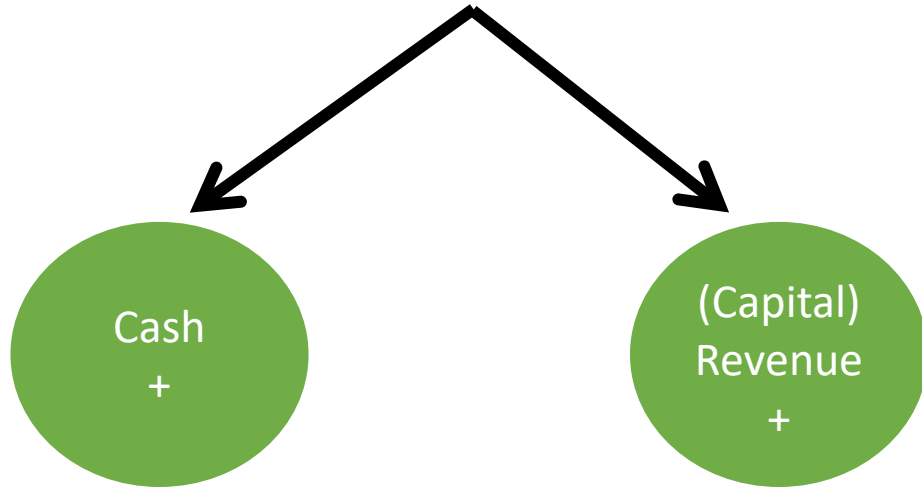
Or Billed customer (Invoice)



* Performed services تقديم خدمات

Completed
Earned
Provided
Performed
Rendered

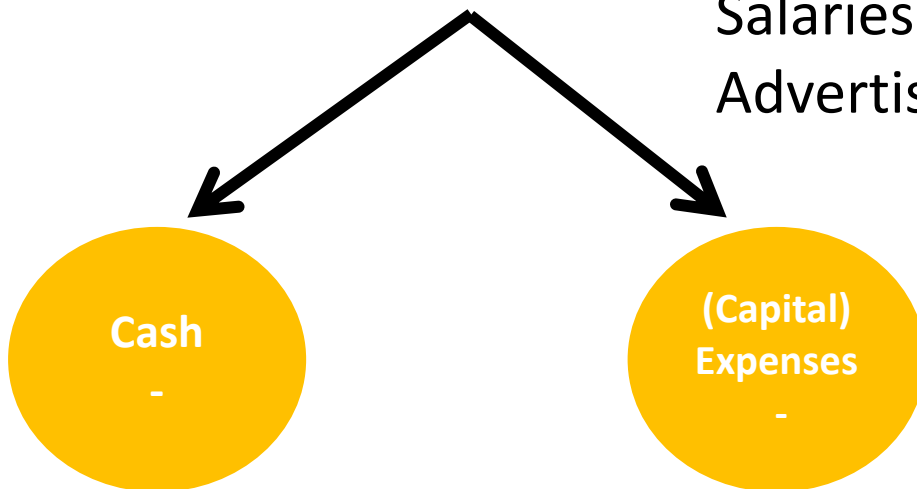
→ **services on cash**



* Paid for Expenses دفع المصروفات

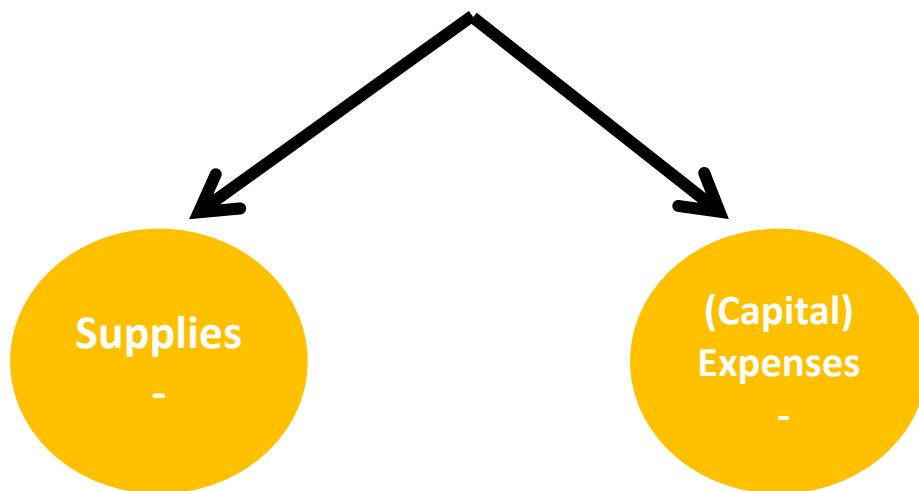
Paid for →

Rent Expense
Waged Expense
Insurance Expense
Salaries Expense
Advertisement exp



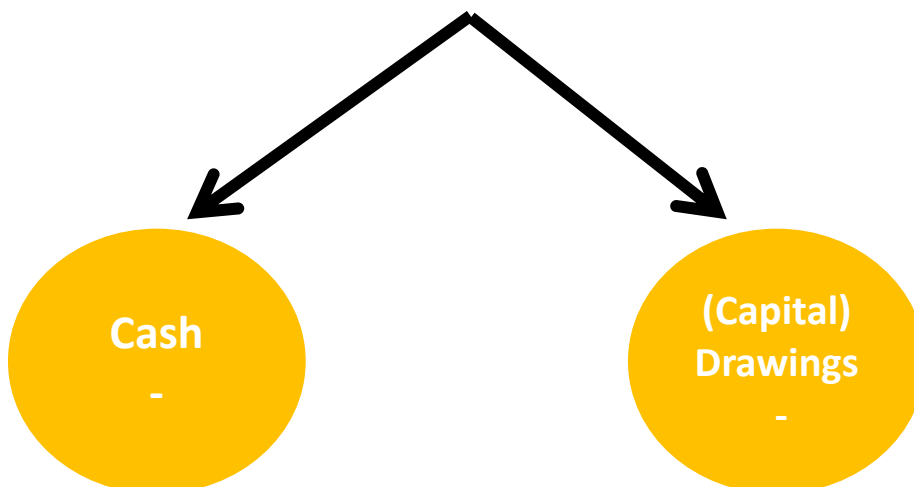
* Supplies used مستلزمات تم استخدامها

Supplies used



* Drawings المسحوبات

Withdrew Took → For personal (private) use



* No Effect لا تأثير

Hired / Decided / Agreed Ordered / suggest / accepted

1- Classify each of the following items as **Assets, Liabilities, or owner's equity**:

NO.	Items	Classification
1	Cash at bank / Cash in hand	Assets (A)
2	Supplies	
3	Account Payable	
4	Office Equipment	
5	Account Receivable	
6	Mahmood, Capital	
7	Office Furniture	
8	Note Payable	
9	Commission	
10	Advertising	

2- Find the missing figure by using the following equation:

$$\text{Owner's equity} = \text{Capital} - \text{Drawing} + \text{Revenue} - \text{Expense}$$

Account	Business 1	Business 2	Business 3	Business 4
Capital	4400	.....	7500	14000
Drawings	400	80	800	1100
Revenue	700	900	.....	4000
Expense	3000	1000	350	.....
Owner's equity	.....	5500	9000	13000

3- Indicate the multiple effects on the accounting equation of business using (+) for increase, (-) for decrease and (ne) for no effect.

No	Transactions	Assets	Liabilities	Owner's Equity
1	The owner invested cash in the business.	+	NE	+
2	The owner withdraws business assets for personal use.	-	NE	-
3	The company receives cash from a bank loan.	+	+	NE
4	The company repays the bank that had lent money to the company.	-	-	NE
5	The company purchases equipment with its cash.	-/+	NE	NE
6	The company purchases a significant amount of supplies on credit	+	+	NE
7	The company purchases land by paying half in cash and signing notes payable for the other half.	-/+	+	NE

Classify each of the following items as an Asset, Liability, Owner's Equity, Revenue or Expenses.

<u>Items</u>	<u>Classification</u>	<u>Items</u>	<u>Classification</u>
Notes Receivable	Asset	Insurance Expense	Expense
Fees Income	Revenue	Machinery	Asset
Office Equipment	Asset	Account Payable	Liabilities
Loans	Liabilities	Capital	Owner's Equity
Truck	Asset	Drawing	Owner's Equity

4- Complete the following:

- a. If a business has Account receivable BD 4600, Motor Van BD 4500, cash BD 9870, Account payable BD 3800, Machinery BD 7400. The total of assets is -----.
- b. If total liabilities are BD 5700 and total assets is BD 16700, the owner's Equity is -----.
- c. Furniture is classified as -----.
- d. Bought supplies by cash increase ----- and decrease -----.
- e. Wages expense is classified as -----.
- f. Liabilities = Assets - -----.
- g. BD 2900 = BD 8700 - -----
- h. Capital BD 10300 and service revenue is BD 1100, the balance of capital after revenue is -----
- i. Capital BD 6500 and drawing BD 300, the balance of capital after drawing is -----.
- j. Supplies used are classified as -----.

5- Complete the following table use (+) for increase, (-) for decrease, (NE) for no effect:

Transaction	Assets	Liabilities	Owner's Equity
1- Owner invested cash in the business			
2- Purchased equipment by cash			
3- Purchased equipment on credit			
4- Sent bill to the customers for services performed			
5- Received cash from debtors			
6- Withdrew cash for personal use			
7- Used part of supplies			

6- Complete the following table use (+) for increase, (-) for decrease, (NE) for no effect:

Transaction	Assets	Liabilities	Owner's Equity
1- Invested cash in the business	+	NE	+
2- Purchased equipment for cash			
3- Purchased supplies on credit			
4- Performed services for cash			
5- Completed (provided) work to a customer on credit / on account			
6- Paid salaries for cash			
7- Paid wages for cash			
8- Paid insurance for cash			
9- Received Cash from debtors			
10- Paid cash to creditors			
11- Bought Machinery on account			
12- Sold Equipment by Credit			
13- Supplies used			
14- The owner withdrew / took cash for personal use			

المعادلة المحاسبية

الأصول

=

الإلتزامات

+

حقوق الملكية

$$\text{Assets (A)} = \text{Liabilities (L)} + \text{Owner's Equity (OE)}$$

رأس الجدول يتكون من المعادلة المحاسبية :

$$\text{Assets} = \text{liabilities} + \text{Owners Equity}$$

ويكون به هالشكل:

Date	Assets	=	Liabilities	+	O/E
		أي شي يخص الـ A Cash/equipment/...		مثال: A/c payable		Capital

آخر شي لين حطينا كل البيانات في الجدول نجمع الـ **assets** ونكتب مجموعه تحته

ونجمع الـ **L** ونكتب مجموعه تحت

ونجمع الـ **O/E** ونكتب مجموعه تحت وهكذا لجميع الحسابات

آخر شي لين جمعنا كل شي نجمع الـ **L + O/E** بشرط ان الناتج = الـ **A**

NO	Assets =				Liabilities + Owner's Equity				
	Cash	Account Receivable	Equipment	Machines	Account Payable	Capital	Revenues	Drawings	Expenses
1	+10,000					+10,000			
2			+5000			+5,000			
Balance	10,000		5,000			15,000		-	-
Total	15,000				15,000				

Example The following transactions were completed by Al Amal Travel Agency during the month Of February 2003:

- 01 Invested **BD 80,000** in the business
- 05 Paid **BD 8,200** cash for office supplies
- 07 Received **BD 5,300** cash for service performed
- 10 Bought computer equipment on account **BD 3,200**
- 18 Provided services for customer by credit **BD 5,500**
- 25 **BD 1,000** of the office supplies has been used
- 27 Received cash **BD 900** from the customer of transaction dated Feb.18

Required : Show the effect of the above transactions on the accounting equation.

NO	Assets =				Liabilities + Owner's Equity				
	Cash	Supplies	Computer Equipment	Account Receivable	Account Payable	Capital	Revenues	Drawings	Expenses
01	+80,000					+80,000			
05	-8,200	+8,200							
07	+5,300						+5,300		
10			+3,200		+3,200				
18				+5,500			+5,500		
25		-1,000							-1,000
27	+900			-900					
Balance	77,900	7,300	3,200	4,600	3,200	80,000	+10,800	-	-1,000
Total	93,000				93,000				

