

# Refining the Accounting Process

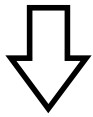
## Chapter 2

### Looking Back and Moving On

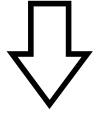
$$\text{Assets} = \text{Liabilities} + \text{Owners' Equity}$$

replaced with

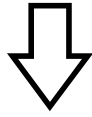
$$\text{Cash} + \text{A/R} + \text{Supplies} = \text{A/P} + \text{N/P} + \text{J.Doe, Capital}$$



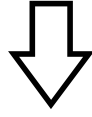
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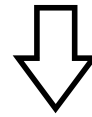
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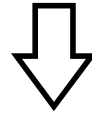
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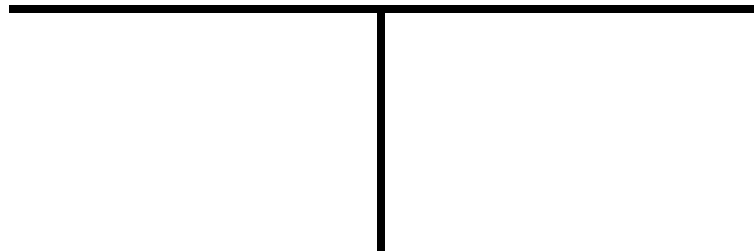
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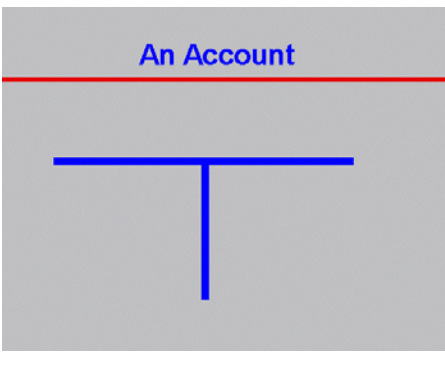
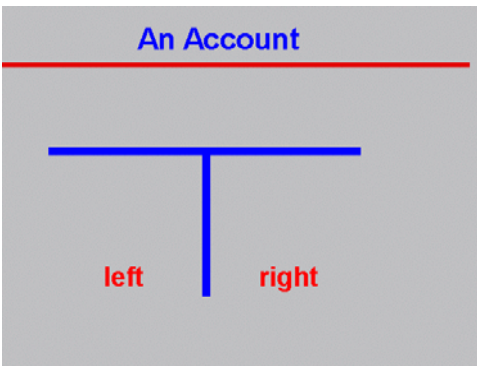
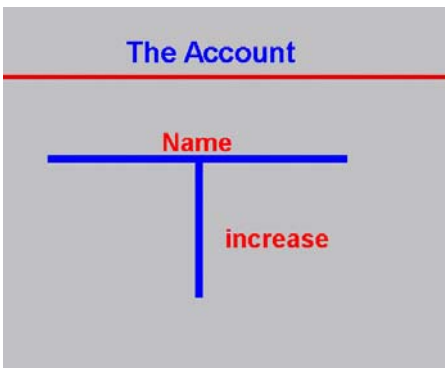
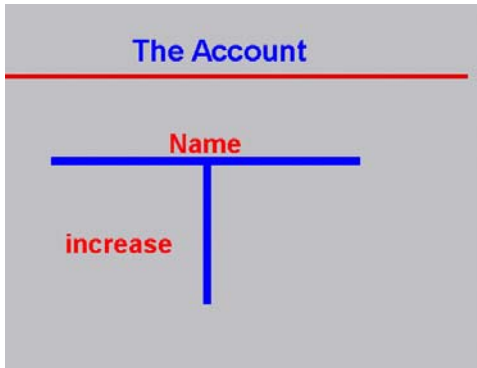
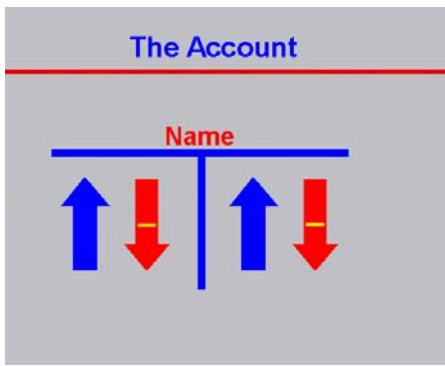
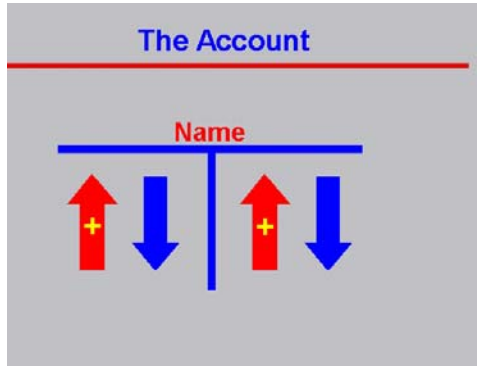
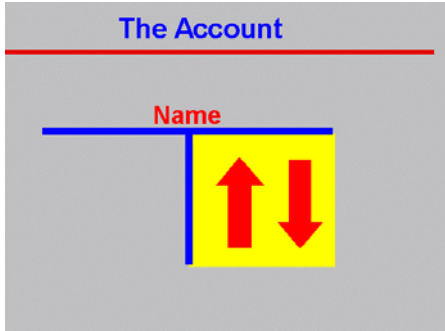
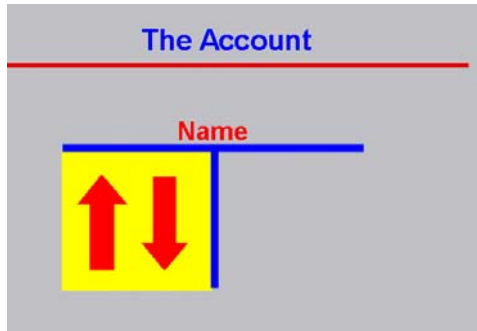
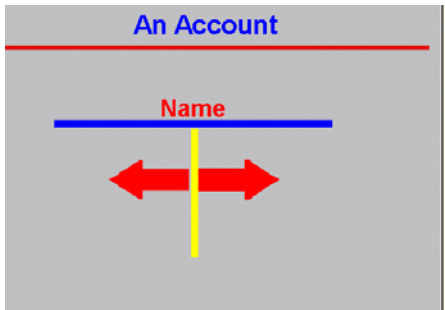
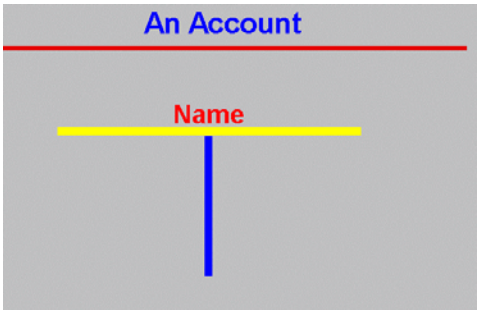
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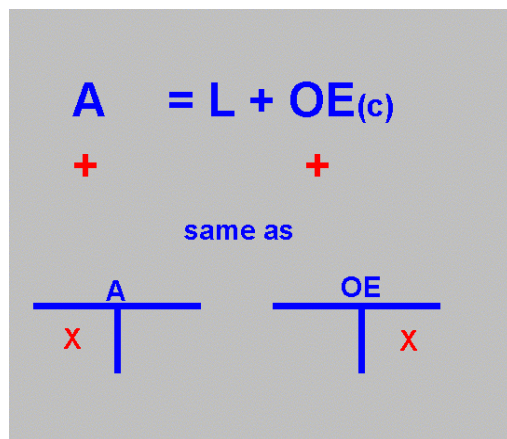
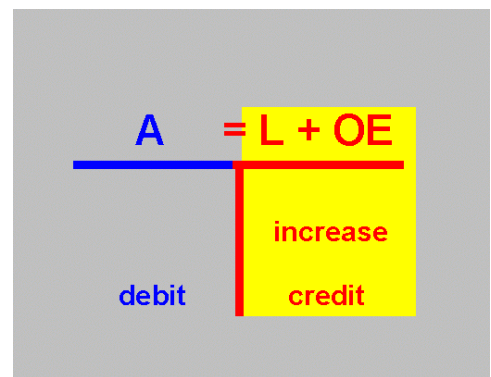
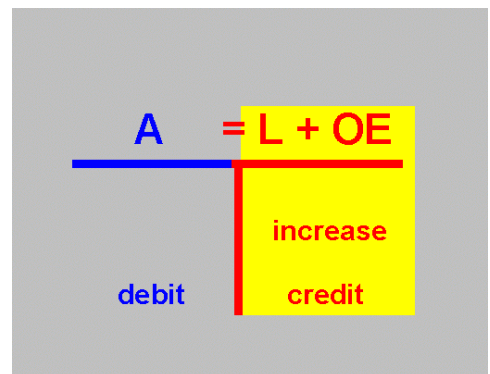
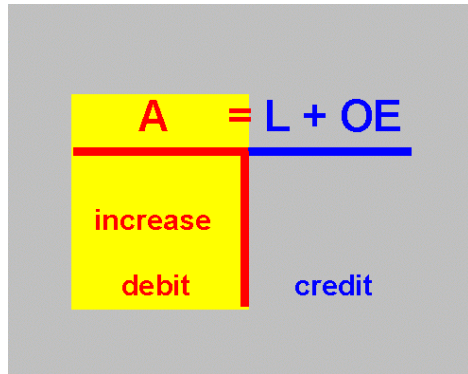
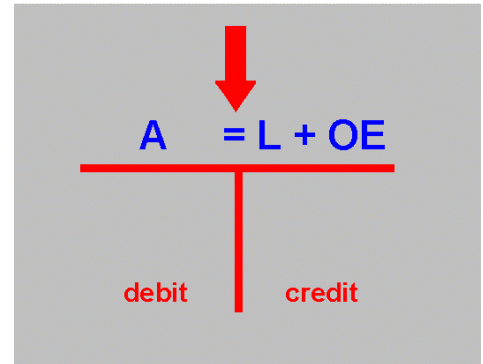
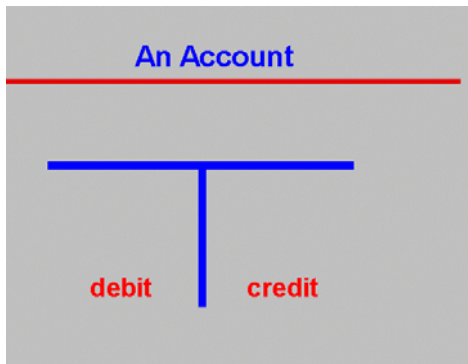
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(Watch, listen, and think more than you write!)







Normal Balances

- \_\_\_\_\_ side of the account
- \_\_\_\_\_ to find the balance

I. Those related to the accounting equation

Assets = \_\_\_\_\_

Liabilities = \_\_\_\_\_

Owner's Equity = \_\_\_\_\_

\_\_\_\_\_ = \_\_\_\_\_

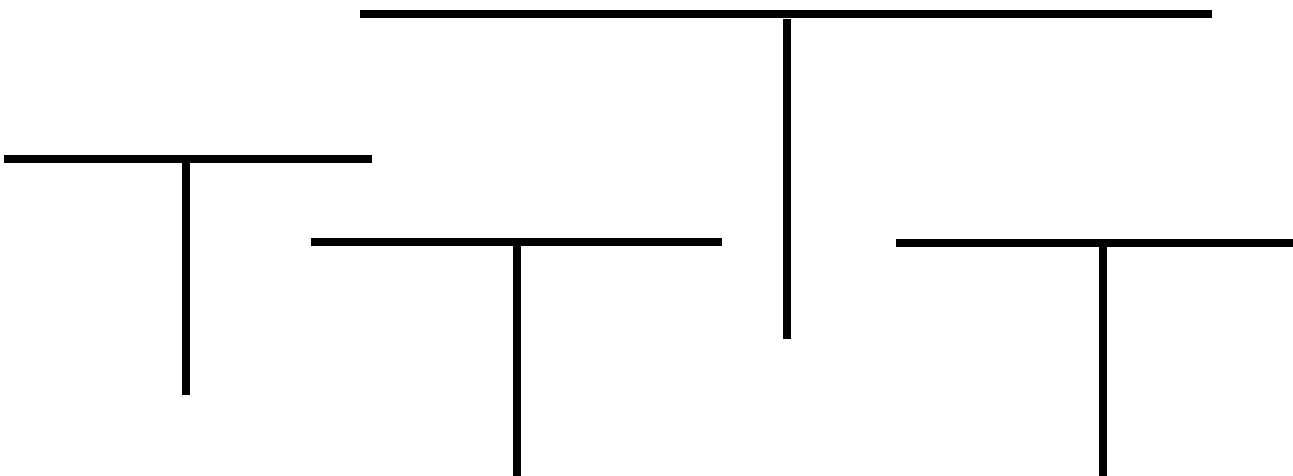
\_\_\_\_\_ = \_\_\_\_\_

increase = \_\_\_\_\_

decrease = \_\_\_\_\_



II. Those related to the capital account



Learn to Classify Accounts

\_\_\_\_\_ ways: \_\_\_\_\_

\_\_\_\_\_ ways: \_\_\_\_\_

\_\_\_\_\_ ways: \_\_\_\_\_

Business \_\_\_\_\_

Source \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Journal: book of \_\_\_\_\_

Ledger: book of \_\_\_\_\_

**Practice Exercise**

Selected transactions for the Ana Clare Company for the month of June are presented below. Journalize each transaction. Post the first transaction to T-accounts.

- June 2 Purchased equipment on account for \$900.
- 3 \$500 cash is paid to landlord for June rent.

**General Journal**

**J1**

Date	Account Titles and Explanation	Ref.	Debit	Credit

