

	Assets	+	Expenses	=	Liabilities	+	Owner's Equity	+	Revenue
	DR	+	DR	=	CR	+	CR	+	CR
Explanation	Things that ABC own that belong to the business		Expenditure that ABC has paid for money going out, bills or invoices paid		Things that ABC has not paid for yet, money owed, bills or invoices paid		Things that Joe has personally put into the business and his current ownership in the business		The money that ABC earns, money coming in (income)
Examples	<ul style="list-style-type: none"> <li>Cash/bank</li> <li>Buildings/factory/plant</li> <li>Stock/supplies/inventory</li> <li>Motor vehicles /car/truck</li> <li>Equipment/machinery</li> <li>Furniture/fixtures (Accumulated depreciation means assets are losing their value.)</li> <li>Debtors/accounts receivable/accrued service revenue, therefore ABC is waiting to receive money from someone. It made a sale and earned the revenue but just has not been paid yet.</li> <li>Allowance for doubtful debts</li> <li>Prepayments paid for something in advance. It has not been received or</li> </ul>		<ul style="list-style-type: none"> <li>Expenses incurred in the everyday running of the business</li> <li>Rent/rates</li> <li>Salaries/wages</li> <li>Advertising</li> <li>Power/electricity</li> <li>Insurance</li> <li>Bank charges</li> <li>Accounting fees</li> <li>Depreciation expense</li> <li>Bad debts</li> <li>Doubtful debts expense</li> </ul>		<ul style="list-style-type: none"> <li>Loan</li> <li>Overdraft</li> <li>Mortgage</li> <li>Hire purchase</li> <li>Credit card</li> <li>Creditors/accounts payable/accrued expenses, and ABC owes money to other businesses. It got something but hasn't paid for it yet.</li> <li>Unearned revenue that ABC received, money came in, but ABC did not do anything to earn it.</li> <li>ABC owes somebody something in the future</li> </ul>		<ul style="list-style-type: none"> <li>Capital (+) is the money and /or assets that Joe puts into the business</li> <li>Drawings (-) is the money taken out of the business</li> <li>Net profit (revenue/expense) Retained earnings are the profit earned by Joe that he reinvests back into the business</li> </ul>		<ul style="list-style-type: none"> <li>Money ABC receives from making a sale, which is</li> <li>Sales revenue</li> <li>Service revenue</li> <li>Revenue earned</li> <li>Revenue received</li> <li>Other ways of money coming in</li> <li>Interest received</li> <li>Dividend revenue</li> <li>Sale of assets</li> </ul>

