

Journal and Ledger Entry Demonstration

Q. Identify the debits and credits from the following transactions:

- a) Owner invested \$16,000 in business bank account and \$7000 as cash.
- b) Bought office computer for \$4,500 and paid by cheque.
- c) Bought goods for resale of \$3,000 in cash.
- d) Sold goods of \$1,000 in cash.
- e) Sold goods of \$3,500 to AV Ltd. On credit.
- f) Paid electricity bill of \$350 in cash.

Journal Entries:

a) Cash DR \$7000
Bank DR \$16000
Capital CR \$23000

b) Office Computer DR \$4500
Bank CR \$4500

Debit Entries			Cash	Credit Entries		
Date	Details	\$	Date	Details	\$	
a	Capital	7000				

Debit Entries			Bank	Credit Entries		
Date	Details	\$	Date	Details	\$	
a	Capital	16000	b	Office Computer	4,500	

			Capital			
Date	Details	\$	Date	Details	\$	
			a	Cash	7000	
				Bank	16000	