

Balance Sheet Transactions

Analyzing Balance Sheet transactions

- **A transaction occurs when something of value is given and something of value is received.**
- **A transaction must affect two or more accounts.**

Analyzing balance sheet transactions

Transaction:

Jun 01 Received a payment of \$100 from an Account Receivable.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	500	700	300	1,500	400	800	1,800
Jun 01	+100						

← Cash will increase \$100

Analyzing balance sheet transactions

Transaction:

Jun 01 Received a payment of \$100 from an Account Receivable.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	500	700	300	1,500	400	800	1,800
Jun 01	+100	-100					

← Accounts Receivable will decrease \$100

Analyzing balance sheet transactions

Transaction:

Jun 01 Received a payment of \$100 from an Account Receivable.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	500	700	300	1,500	400	800	1,800
Jun 01	+100	-100					
	600	600	300	1,500	400	800	1,800

The accounting equation still balances after the transaction:

Assets = Liabilities + Owner's Equity

\$3,000 = \$1,200 + \$1,800

Analyzing balance sheet transactions

Transaction:

Jun 02 Purchased \$200 worth of Office Supplies on account.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	500	700	300	1,500	400	800	1,800
Jun 01	+100	-100					
	600	600	300	1,500	400	800	1,800
Jun 02			+200				

← Office Supplies will increase by \$200.

Analyzing balance sheet transactions

Transaction:

Jun 02 Purchased \$200 worth of Office Supplies on account.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	500	700	300	1,500	400	800	1,800
Jun 01	+100	-100					
	600	600	300	1,500	400	800	1,800
Jun 02			+200			+200	

Accounts Payable will increase by \$200.



Analyzing balance sheet transactions

Transaction:

Jun 02 Purchased \$200 worth of Office Supplies on account.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	500	700	300	1,500	400	800	1,800
Jun 01	+100	-100					
	600	600	300	1,500	400	800	1,800
Jun 02			+200			+200	
	600	600	500	1,500	400	1,000	1,800

The accounting equation still balances after the transaction:

Assets = Liabilities + Owner's Equity

\$3,200 = \$1,400 + \$1,800

Analyzing balance sheet transactions

Transaction:

Jun 03 J. Owner invested \$500 cash into the business.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	600	600	300	1,500	400	800	1,800
Jun 02			+200			+200	
	600	600	500	1,500	400	1,000	1,800
Jun 03	+500						+500
	1,100	600	500	1,500	400	1,000	2,300

Analyzing balance sheet transactions

Transaction:

Jun 05 Paid an account payable \$300 cash.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	1,100	600	500	1,500	400	1,000	2,300
Jun 04	-200			+1,000		+800	
	900	600	500	2,500	400	1,800	2,300
Jun 04	-300					-300	
	600	600	500	2,500	400	1,500	2,300

Analyzing balance sheet transactions

Transaction:

Jun 04 Purchased \$1,000 Office Equipment by paying \$200 cash with the balance due at the end of the month.

Date	Assets				Liabilities		Owner's Equity
	Cash	Accounts Receivable	Office Supplies	Office Equipment	Bank Note Payable	Accounts Payable	J. Owner, Capital
	600	600	500	1,500	400	1,000	1,800
Jun 03	+500						+500
	1,100	600	500	1,500	400	1,000	2,300
Jun 04	-200			+1,000		+800	
	900	600	500	2,500	400	1,800	2,300