

BOOKKEEPING LEVEL 1 QUIZ 1 THE ACCOUNTING PUZZLE

Fill in the blanks:

What is the Balance Sheet Equation?

What is the Income Statement equation?

Name the 5 parts of a General Journal entry.

Name, in order, the 3 Financial Statements.

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Answers:

	DEBITS Debits increase these accts Credits decrease these accts	CREDITS Credits increase these accts Debits decrease these accts
BALANCE SHEET accounts	ASSETS (A) Cash in Bank (DR) Accounts Receivable (DR)	LIABILITIES (L) Accounts Payable (CR) Bank Loan (CR) EQUITY (EQ) Owner Capital (CR) Owner Withdrawals (DR)
INCOME STATEMENT accounts	EXPENSES (EX) Advertising (DR) Wages (DR)	REVENUE (R) Fees Earned (CR) Interest Income (CR)

What is the Balance Sheet Equation?

$$\text{ASSETS} = \text{LIABILITIES} + \text{EQUITY}$$

What is the Income Statement equation?

$$\text{REVENUE} - \text{EXPENSES} = \text{NET INCOME}$$

Name the 5 parts of a General Journal entry.

Date, Account, Type, Amount and Explanation (Type is A, L, EQ, R or EX)

Name the 3 Financial Statements **in order**.

Income Statement
Statement of Change in Owner's Equity
Balance Sheet