


Financial Accounting & Management Reporting

“Professional Guidance”


Class 1 - Thursday 28-Jan-2021: 8:30 - 10:30 PM

VIA ... 

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 January 2021
 Bahrain

- Graduated in Khartoum Polytechnic 1979 and got my CPA US certification in year 2000.
- Worked for Al Essa Co. & Kingdom Holding in Riyadh, Saudi Arabia
- Worked as Consultant & Compliance Officer for the Arab Investment Company, Bahrain.
- In Year 2016, established own Business & Software Consultancy “AccBest” in Bahrain.

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Business & Management Consultancy
أكبيست - استشارات الأعمال والإدارة


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Course Objectives

Ensure attendee is a good “book-keeper”, regardless of his / her position

Accountant knows to prepare & understand the Trial Balance, then prepare the basic FSs


Accountant can easily book “record” different types of financial transactions



Accountant knows how to read the FSs. and understand them line by line

When working on electronic systems, accountant knows where the debits / credits go in the books

Accountant can analyze FSs., understand the Financial Ratios, & Report to Management



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Course Description

Online-Live-instruction on zoom meetings platform to attendees from anywhere

Attendees can chat, ask, answer questions and interact during classes

Hypothetical cases, quizzes and transactions / solutions are provided



Free time is given at the end of each session for question solving

Last day we will rap up and provide summary slides for all material

Last day Certificates of Attendance from AccBest are distributed in pdf

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Timetable

Financial Accounting & Reporting Training Programme - (1)							
Class	Day	Date	from	To	Topic Covered	Progress	
1	Thursday	28-Jan-21	8:30 PM	10:30 PM	The Double Entry System, The Chart Of Accounts	✓	
2	Friday	29-Jan-21	3:00 PM	5:00 PM	Accounting Cycle, Presentation of Basic Financial Statements		
3	Saturday	30-Jan-21	8:30 PM	10:30 PM	Transactions, Accounting Entries & Trial Balance, GL		
4	Thursday	4-Feb-21	8:30 PM	10:30 PM	The Adjusting Entries & The Matching Principle		
5	Friday	5-Feb-21	3:00 PM	5:00 PM	Depreciations of Fixed Assets & Amortizations		
6	Saturday	6-Feb-21	8:30 PM	10:30 PM	Statement of Profit or Loss - Preparation & Components		
7	Thursday	11-Feb-21	8:30 PM	10:30 PM	Statement of Profit or Loss - Preparation & Components		
8	Friday	12-Feb-21	3:00 PM	5:00 PM	Statement of Profit or Loss - Preparation & Components		
9	Saturday	13-Feb-21	8:30 PM	10:30 PM	Statement of Financial Position - Preparation & Components		
10	Thursday	18-Feb-21	8:30 PM	10:30 PM	Statement of Financial Position - Preparation & Components		
11	Friday	19-Feb-21	3:00 PM	5:00 PM	Statement of Financial Position - Preparation & Components		
12	Saturday	20-Feb-21	8:30 PM	10:30 PM	Statement of Cash Flows - Preparation & Components		
13	Thursday	25-Feb-21	8:30 PM	10:30 PM	Statement of Cash Flows - Preparation & Components		
14	Friday	26-Feb-21	3:00 PM	5:00 PM	Statement of Cash Flows - Preparation & Components		
15	Saturday	27-Feb-21	8:30 PM	10:30 PM	Statement of Cash Flows - Preparation & Components		
16	Thursday	4-Mar-21	8:30 PM	10:30 PM	Notes to the Financial Statements		
17	Friday	5-Mar-21	3:00 PM	5:00 PM	Financial Ratios - Practical Applications		
18	Saturday	6-Mar-21	8:30 PM	10:30 PM	Value Added Tax "VAT" - Basics & Accounting		
19	Thursday	11-Mar-21	8:30 PM	10:30 PM	Report to Your Boss! - Sample Management Report		
20	Friday	12-Mar-21	3:00 PM	5:00 PM	Course Summary, Closing & Distribution of Certificates		

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Class 1 - Thursday 28-Jan-2021: 8:30 - 10:30 PM

The Double Entry System, Chart Of Accounts,

نظام القيد المزدوج
دليل (شجرة) الحسابات



Chart of Accounts

Account Number	Account Description	Nature of Account	Categories
10001	Land & Building	Assets	Balance Sheet
10002	Plant & Machinery	Assets	Balance Sheet
10003	Inventory	Assets	Balance Sheet
10004	Accounts Receivable	Assets	Balance Sheet
10005	Cash	Assets	Balance Sheet
20001	Long Terms Borrowings	Liability	Balance Sheet
20002	Short Terms Borrowings	Liability	Balance Sheet
20003	Trade Payables	Liability	Balance Sheet
20004	Interest Payable	Liability	Balance Sheet

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The Debits & Credits – the Double-Entry System

Who Is Lucas Pacioli?



- An Italian accountant and mathematician
- Born in 1446 in Sansepolcro, Italy
- Known as the “father of accounting”
- Created/ published the first ever accounting book in 1494 (, which was based on five sections found in the title of his book.
- He added on to his contributions by publishing a second book on double-entry accounting
- He also was the man responsible for introducing the use of journals and ledgers in accounting

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The Debits & Credits – the Double-Entry System

- **Debits and credits** were formally invented in the 15th century by the Italian merchant **Lucas Pacioli**, afterward's known as "**the father of accounting**"
- **Debits & Credits** then were used as an official system to specify what was already used by merchants in Venice. This traces back to the Roman empire.
- There is a side for each "account" of a **creditor** "the **giver**", and a **debtor** "the **receiver**". Always think of the debtors and creditors as "accounts", not as people.
- e.g., a company bought goods for 5,000 in cash, here, the "purchases account" is the **receiver**, and cash account is the **giver**.
- What happened here? a transaction has been identified, and an accounting entry must be created, or as we say that transaction must be booked (recorded):

Dr. Purchases (receiver)	5,000	
Cr. Cash (giver)		5,000

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The Debits & Credits – the Double-Entry System

- For every business financial transaction ...
 - an amount is entered as a debit in one account, and the same amount is entered as a credit in another account.
 - Example – financial transaction:
 - 1) Company borrows 10,000 from its bank and deposited the funds to cash:

Dr. Cash (receiver)	10,000	
Cr. Bank loan (giver)		10,000

- 2) Company pays 1,000 for office rent in cash (assume for same month):

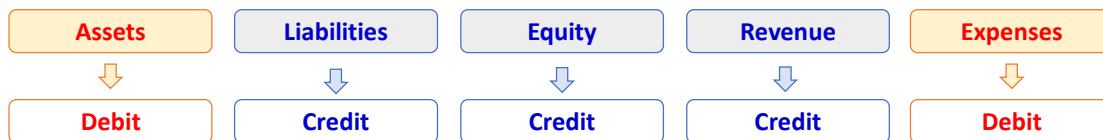
Dr. Rent expense (receiver)	1,000	
Cr. Cash (giver)		1,000

- In example (1) the cash account is the receiver, and bank loan is the giver
- In example (2) rent expense is the receiver, and cash account the giver

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The Debits & Credits – the Double-Entry System

- Sometimes it is not easy to tell whether this account is the giver or the receiver!
- Another way is to know which accounts, by nature, are debits and which accounts are credits.
 - **Asset** accounts are always debit - الأصول
 - **Liability** accounts are credit - الخصوم
 - **Stockholders' equity** accounts are credit - حقوق الشركاء
 - **Revenue** / Sales accounts are credit - الإيرادات
 - **Expense** accounts are debit - المصروفات



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The Debits & Credits – the Double-Entry System

Assets – الأصول



Debit

- Buildings - مباني
- Cars - سيارات
- Computers - أجهزة
- Investments - استثمارات
- Cash & Bank - نقدية وبنوك
- Accounts Receivable - ذمم مدينة
- Inventory - مخزون سلعي
- Prepaid Expenses - مصاريف مدفوعة مقدماً
- Advances to Suppliers - مدفوعات مقدمة للموردين

- Asset accounts normally have debit balances, and their account balances will be **increased** with a debit entry and **decreased** by a credit entry.
- A few accounts relating to assets are in credit balances by nature.
- These are called **Contra asset accounts** – (حسابات مقابلة), examples of which are:
 - **Accumulated depreciation** مجمع depreciation of fixes assets (PP&E)
 - **Provision** - مخصص of accounts receivable (AR),
 - **Accumulated amortization** مجمع إطفاء of intangibles, prepaid expenses.

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The Debits & Credits – the Double-Entry System

Liabilities – خصوم



Credit

- Accounts payable – ذمم دائنة (ذمم موردين)
- Accrued salaries – رواتب مستحقة
- Accrued taxes – مصاريف مستحقة
- Accrued other expenses – مصاريف مستحقة أخرى
- Loans from creditors – قروض
- Advances from customers – دفعات مقدمة من العملاء
- Deferred revenue – إيرادات مؤجلة

- Liability accounts normally carry credit balances.
- Their account balances will be increased with a credit entry.
- To decrease a liability account's balance a debit entry is needed.
- e.g., accounts payable increase when the liability is established (created).
- and decreased when we pay them.

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The Debits & Credits – the Double-Entry System

Shareholders' Equity – حقوق الشركاء



Credit

- Share capital – رأس المال
- Retained earnings – أرباح محتفظ بها
- Treasury stock – أسهم خزينة
- Statutory reserve – احتياطي قانوني
- General reserves – احتياطي عام
- Owner's current account – حساب جاري المالك

- Generally, these accounts are expected to have credit balances.
- Their balances will be increased when a credit entry is passed
- A debit entry will decrease the balances of these accounts.
- Note: **Treasury Stock and Owner's current account** (in case these are drawings) balances are two **contra-equity accounts** that are intended to have debit instead of credit balances.

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The Debits & Credits – the Double-Entry System

الإيرادات (المبيعات) – Revenue ⇒ Credit

- إيراد مبيعات – Sales revenue
- إيراد خدمات – Service revenue
- إيراد أرباح (فوائد) بنكية – Interest revenue
- إيرادات أخرى – Other revenue

- Revenue accounts are normally in credit balances.
- Their account balances will be increased with a credit entry.
- Debit entries will decrease the credit balances of these accounts.
- Note: The account **Sales Discounts and the account Sales Returns, Allowances, Rebates** are known as **contra-revenue accounts** since they have debit balances, which decrease the Revenue Account balances.

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The Debits & Credits – the Double-Entry System

المصاريف - Expenses ⇒ Debit

- تكلفة المبيعات – Cost of Sales
- مصاريف تسويق – Marketing expenses
- رواتب وأجور – Salaries & wages
- مصاريف إيجارات – Rent expense
- مصاريف كهرباء ومياه – Utilities expenses
- رسوم حكومية – Government fees
- مصاريف بنكية – Bank charges
- إلخ ... وقائمة المصاريف تطول – Etc

- Expenses are normally in debit balances by nature of these accounts.
- Their debit balances will increase by debit accounting entries.
- and decrease by credit accounting entries.
- Credit entries may be in form of adjusting entries, or correction of errors, etc.

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The Debits & Credits – the Double-Entry System - Q & A

Q (1) Double Entry System is a:

- a) Reporting system
- b) Financial Statement preparation system
- c) Recording system
- d) Debit and Credit determining system

Answer d) is correct

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The Debits & Credits – the Double-Entry System - Q & A

Q (2) The features of Double Entry System are:

- i. It has two parties; Receiver and Giver
- ii. Total amount of Debit will be equal to total amount of Credit
- iii. Receiver is Debit and Giver is Credit.
- iv. Receiver is Credit and Giver is Debit.

Which of the above choices is correct?

- a) i & ii
- b) ii & iii
- c) i, ii & iv
- d) i, ii & iii

Answer d) is correct

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The Debits & Credits – the Double-Entry System - Q & A

Q (3) Which one of the following is not a financial transaction:

- a) Fatima started a new business with cash of SR 50,000.
- b) Fatima Received a price list from suppliers.
- c) Received interest from Bank SR 1,000
- d) Paid salaries of SR 5,000

Answer (b) is correct

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The Chart Of Accounts

دليل الحسابات
شجرة الحسابات

Chart of Accounts

Account Number	Account Description	Nature of Account	Categories
10001	Land & Building	Assets	Balance Sheet
10002	Plant & Machinery	Assets	Balance Sheet
10003	Inventory	Assets	Balance Sheet
10004	Accounts Receivable	Assets	Balance Sheet
10005	Cash	Assets	Balance Sheet
20001	Long Term Borrowings	Liability	Balance Sheet
20002	Short Term Borrowings	Liability	Balance Sheet
20003	Trade Payables	Liability	Balance Sheet
20004	Interest Payable	Liability	Balance Sheet

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Chart Of Accounts (COA)

- A Chart Of Accounts is a listing of the **codes** and **names** of the accounts.
- Accounts that a company has **identified** and made available for using to record its financial transactions in the **general ledger** and **subsidiary ledgers**.
- The company has the flexibility to setup its chart of accounts to best suit its needs, operations and business model.

Generally, the Main, Top "Control" account groups, by codes, will be:

- 1) **Assets,**
- 2) **Equity,**
- 3) **Liabilities,**
- 4) **Revenues,**
- 5) **Expenses.**

Then the details and coding will continue downwards

Chart Of Accounts (COA)

- The chart of accounts allows the company to add new or delete old accounts as and when required.
- **However, an account that already has transactions may not be deleted.**

Please note ...
when passing the accounting entries in the system you must select the last number at the bottom of each category as follows ...

Chart Of Accounts (COA)

- However, those working on accounting software will notice that the system will automatically show up the last transaction code when accounting entries are passed in the books.

For Example:

1 – Assets
12 – Current Assets
1211 – Accounts Receivable
1212 – Prepaid expenses

5 – Expenses
51 – Staff Cost
511 – Salaries & Wages
5111 – Basic salaries
5112 – Housing Allowance
5113 – Transportation Allowance

As mentioned, accounting entries will be passed into the last level (in blue)

Accordingly, when viewing or printing the Chart of Accounts or the Trial Balance you elect to view or print at the level you wish. Based on how you designed your Chart of Accounts your Trial Balance will be generated.

Chart Of Accounts (COA)

Why is the Chart of Accounts Important?

- It helps in the segregation of the revenue, expenses, assets, liabilities, equity, etc. so that the user can immediately get access to the required information.
- It helps in the preparation of the financial statements at any point in time, and in particular the Balance Sheet and the Income Statement.
- Then you can easily get the information and data you need for your revenue, expenses, assets, liabilities, equity.
- You can easily search the data and transactions and get what you need.

Chart Of Accounts (COA)

Level 1	Level 2	Level 3	Account Name	Financial Statement	Group	Sub-Group	Normally
1			Assets	Balance Sheet	Assets		Debit
	101		Non-Current Assets	Balance Sheet	Non-Current Assets		Debit
		10101	Land & Building	Balance Sheet	Non-Current Assets		Debit
		10102	Plant & Machinery	Balance Sheet	Non-Current Assets		Debit
		10103	Equipment	Balance Sheet	Non-Current Assets		Debit
		10104	Furniture & Fittings	Balance Sheet	Non-Current Assets		Debit
		10105	Motor Vehicles	Balance Sheet	Non-Current Assets		Debit
		10121	Land & Building Accumulated Depreciation	Balance Sheet	Non-Current Assets		Credit
		10122	Plant & Machinery Accumulated Depreciation	Balance Sheet	Non-Current Assets		Credit
		10123	Equipment Accumulated Depreciation	Balance Sheet	Non-Current Assets		Credit
		10124	Furniture & Fittings Accumulated Depreciation	Balance Sheet	Non-Current Assets		Credit
		10125	Motor Vehicles Accumulated Depreciation	Balance Sheet	Non-Current Assets		Credit
	102		Current Assets	Balance Sheet	Current Assets		Debit
		10101	Petty cash account	Balance Sheet	Current Assets		Debit
		10102	Bank account	Balance Sheet	Current Assets		Debit
		10103	Accounts receivable AR	Balance Sheet	Current Assets		Debit
		10104	Provision for AR	Balance Sheet	Current Assets		Credit
		10105	Inventory	Balance Sheet	Current Assets		Debit
		10106	Prepayments	Balance Sheet	Current Assets		Debit
2			Shareholders' Equity	Balance Sheet	Shareholders' Equity		Credit
	201		Shareholders' Equity	Balance Sheet	Shareholders' Equity		Credit
		20101	Share Capital	Balance Sheet	Shareholders' Equity		Credit
		20102	Retained earnings	Balance Sheet	Shareholders' Equity		Credit
		20103	General Reserves	Balance Sheet	Shareholders' Equity		Credit
		20104	Statutory Reserves	Balance Sheet	Shareholders' Equity		Debit
		20105	Treasury Shares	Balance Sheet	Shareholders' Equity		Credit
		20106	Owners' Current Accounts	Balance Sheet	Shareholders' Equity		Debit/Credit
3			Liabilities	Balance Sheet	Liabilities		Credit
	301		Non-Current Liabilities	Balance Sheet	Non-Current Liabilities		Credit
		20101	Long-term Loans	Balance Sheet	Non-Current Liabilities		Credit
		20102	Other loans	Balance Sheet	Non-Current Liabilities		Credit
	302		Current Liabilities	Balance Sheet	Current Liabilities		Credit
		20201	Accounts payable	Balance Sheet	Current Liabilities		Credit
		20202	Accrued Payroll	Balance Sheet	Current Liabilities		Credit
		20203	Accrued Expenses	Balance Sheet	Current Liabilities		Credit
		20204	Unearned revenue	Balance Sheet	Current Liabilities		Credit
4			Revenue	Income Statement	Revenue		Credit
	401		Revenue	Income Statement	Revenue		Credit
		40101	Sales Revenue	Income Statement	Revenue		Credit
		40102	Services Revenue	Income Statement	Revenue		Credit
		40105	Cost of Goods Sold	Income Statement	Revenue		Debit
		40106	Cost of Services	Income Statement	Revenue		Debit
		40107	Discounts allowed	Income Statement	Revenue		Debit
		40108	Sales Returns	Income Statement	Revenue		Debit
5			Expenses	Income Statement	Expenses		Debit
	501		Selling & Marketing Expenses	Income Statement	Selling & Marketing Expenses		Debit
		50101	Marketing expenses	Income Statement	Selling & Marketing Expenses		Debit
		50102	Sales Commissions	Income Statement	Selling & Marketing Expenses		Debit
		50103	Promotion Expenses	Income Statement	Selling & Marketing Expenses		Debit
		50104	Advertising	Income Statement	Selling & Marketing Expenses		Debit
		50105	Other Sales Expenses	Income Statement	Selling & Marketing Expenses		Debit
		50106	Gifts & samples	Income Statement	Selling & Marketing Expenses		Debit
	502		General & Admin Expenses	Income Statement	General & Admin Expenses		Debit
		50201	Salaries & Wages	Income Statement	General & Admin Expenses		Debit

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Chart Of Accounts (COA)

Level 1	Level 2	Level 3	Account Name	Financial Statement	Group	Sub-Group	Normally
1			Assets	Balance Sheet	Assets		Debit
2			Shareholders' Equity	Balance Sheet	Shareholders' Equity		Credit
3			Liabilities	Balance Sheet	Liabilities		Credit
4			Revenue	Income Statement	Revenue		Credit
5			Expenses	Income Statement	Expenses		Debit

Level	Level	Level	Account Name	Financial Statement	Group	Sub-Group	Normally
	101		Non-Current Assets	Balance Sheet	Non-Current Assets		Debit
	102		Current Assets	Balance Sheet	Current Assets		Debit
	201		Shareholders' Equity	Balance Sheet	Shareholders' Equity		Credit
	301		Non-Current Liabilities	Balance Sheet	Non-Current Liabilities		Credit
	302		Current Liabilities	Balance Sheet	Current Liabilities		Credit
	401		Revenue	Income Statement	Revenue		Credit
	501		Selling & Marketing Expenses	Income Statement	Selling & Marketing Expenses		Debit
	502		General & Admin Expenses	Income Statement	General & Admin Expenses		Debit

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Chart Of Accounts (COA)

Sample Chart of Accounts - Small Business

Level 1	Level 2	Level 3	Account Name	Financial Statement	Group	Sub-Group	Normally
1			Assets	Balance Sheet	Assets		Debit
	101		Non-Current Assets	Balance Sheet		Non-Current Assets	Debit
		10101	Land & Building	Balance Sheet		Non-Current Assets	Debit
		10102	Plant & Machinery	Balance Sheet		Non-Current Assets	Debit
		10103	Equipment	Balance Sheet		Non-Current Assets	Debit
		10104	Furniture & Fittings	Balance Sheet		Non-Current Assets	Debit
		10105	Motor Vehicles	Balance Sheet		Non-Current Assets	Debit
		10121	Land & Building Accumulated Depreciation	Balance Sheet		Non-Current Assets	Credit
		10122	Plant & Machinery Accumulated Depreciation	Balance Sheet		Non-Current Assets	Credit
		10123	Equipment Accumulated Depreciation	Balance Sheet		Non-Current Assets	Credit
		10124	Furniture & Fittings Accumulated Depreciation	Balance Sheet		Non-Current Assets	Credit
		10125	Motor Vehicles Accumulated Depreciation	Balance Sheet		Non-Current Assets	Credit
	102		Current Assets	Balance Sheet		Current Assets	Debit
		10101	Petty cash account	Balance Sheet		Current Assets	Debit
		10102	Bank account	Balance Sheet		Current Assets	Debit
		10103	Accounts receivable AR	Balance Sheet		Current Assets	Debit
		10104	Provision for AR	Balance Sheet		Current Assets	Credit
		10105	Inventory	Balance Sheet		Current Assets	Debit
		10106	Prepayments	Balance Sheet		Current Assets	Debit

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Chart Of Accounts (COA)

Sample Chart of Accounts - Small Business

Level 1	Level 2	Level 3	Account Name	Financial Statement	Group	Sub-Group	Normally
2			Shareholders' Equity	Balance Sheet	Shareholders' Equity		Credit
	201		Shareholders' Equity	Balance Sheet		Shareholders' Equity	Credit
		20101	Share Capital	Balance Sheet		Shareholders' Equity	Credit
		20102	Retained earnings	Balance Sheet		Shareholders' Equity	Credit
		20103	General Reserves	Balance Sheet		Shareholders' Equity	Credit
		20104	Statutory Reserves	Balance Sheet		Shareholders' Equity	Debit
		20105	Treasury Shares	Balance Sheet		Shareholders' Equity	Credit
		20106	Owners' Current Accounts	Balance Sheet		Shareholders' Equity	Debit/Credit
3			Liabilities	Balance Sheet	Liabilities		Credit
	301		Non-Current Liabilities	Balance Sheet		Non-Current Liabilities	Credit
		20101	Long-term Loans	Balance Sheet		Non-Current Liabilities	Credit
		20102	Other loans	Balance Sheet		Non-Current Liabilities	Credit
	302		Current Liabilities	Balance Sheet		Current Liabilities	Credit
		20201	Accounts payable	Balance Sheet		Current Liabilities	Credit
		20202	Accrued Payroll	Balance Sheet		Current Liabilities	Credit
		20203	Accrued Expenses	Balance Sheet		Current Liabilities	Credit
		20204	Unearned revenue	Balance Sheet		Current Liabilities	Credit

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Chart Of Accounts (COA)

Sample Chart of Accounts - Small Business

Level 1	Level 2	Level 3	Account Name	Financial Statement	Group	Sub-Group	Normally
4			Revenue	Income Statement	Revenue		Credit
	401		Revenue	Income Statement		Revenue	Credit
		40101	Sales Revenue	Income Statement		Revenue	Credit
		40102	Services Revenue	Income Statement		Revenue	Credit
		40105	Cost of Goods Sold	Income Statement		Revenue	Debit
		40106	Cost of Services	Income Statement		Revenue	Debit
		40107	Discounts allowed	Income Statement		Revenue	Debit
		40108	Sales Returns	Income Statement		Revenue	Debit
5			Expenses	Income Statement	Expenses		Debit
	501		Selling & Marketing Expenses	Income Statement		Selling & Marketing Expenses	Debit
		50101	Marketing expenses	Income Statement		Selling & Marketing Expenses	Debit
		50102	Sales Commissions	Income Statement		Selling & Marketing Expenses	Debit
		50103	Promotion Expenses	Income Statement		Selling & Marketing Expenses	Debit
		50104	Advertising	Income Statement		Selling & Marketing Expenses	Debit
		50105	Other Sales Expenses	Income Statement		Selling & Marketing Expenses	Debit
		50106	Gifts & samples	Income Statement		Selling & Marketing Expenses	Debit
	502		General & Admin Expenses	Income Statement		General & Admin Expenses	Debit
		50201	Salaries & Wages	Income Statement		General & Admin Expenses	Debit
		50202	Basic Salaries	Income Statement		General & Admin Expenses	Debit
		50203	Housing Allowance	Income Statement		General & Admin Expenses	Debit
		50204	Transportation Allowance	Income Statement		General & Admin Expenses	Debit

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Chart Of Accounts (COA)

Sample Chart of Accounts - Small Business

Level 1	Level 2	Level 3	Account Name	Financial Statement	Group	Sub-Group	Normally
		50205	Over Time	Income Statement		General & Admin Expenses	Debit
		50206	Bonuses	Income Statement		General & Admin Expenses	Debit
		50207	Employees Air Fares	Income Statement		General & Admin Expenses	Debit
		50208	Government Fees - Employees	Income Statement		General & Admin Expenses	Debit
		50209	Rent	Income Statement		General & Admin Expenses	Debit
		50210	Utilities	Income Statement		General & Admin Expenses	Debit
		50211	Motor Vehicle expenses	Income Statement		General & Admin Expenses	Debit
		50212	Travel & Hotels	Income Statement		General & Admin Expenses	Debit
		50213	Website	Income Statement		General & Admin Expenses	Debit
		50214	Printing & Stationery	Income Statement		General & Admin Expenses	Debit
		50215	Computer and internet	Income Statement		General & Admin Expenses	Debit
		50216	Telephone	Income Statement		General & Admin Expenses	Debit
		50217	Professional fees	Income Statement		General & Admin Expenses	Debit
		50218	Repairs & maintenance	Income Statement		General & Admin Expenses	Debit
		50219	Insurance	Income Statement		General & Admin Expenses	Debit
		50220	Bank Fees	Income Statement		General & Admin Expenses	Debit
		50221	Bad debt expense	Income Statement		General & Admin Expenses	Debit
		50222	Depreciation	Income Statement		General & Admin Expenses	Debit
		50223	Amortization of Intangible Assets	Income Statement		General & Admin Expenses	Debit

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The Double Entry System - MCQs

Q (4) Which of the following items would **not** fall under the definition of an asset?

- a) Land
- b) Machinery
- c) Cash
- d) Owner's equity
- e) Debtors

Answer (d) is correct

Q (5) Which one of the following items would fall under the definition of a liability?

- a) Cash
- b) Debtors
- c) Owner's equity
- d) Tax owed
- e) None of the above

Answer (d) is correct

Thank You!