



ROYAL TRADERS

S.N.	Transactions	Assets			=	Capital + Liabilities	
		Cash ₹	+ Stock ₹	+ Prepaid Expenses	=	Capital ₹	+ Outstanding Expenses ₹
(a)	Started Business with Cash ₹1,20,000	1,20,000			=	1,20,000	
(b)	Purchased goods for cash ₹10,000	-10,000	+ 10,000		=		
	New Equation	1,10,000	+ 10,000		=	1,20,000	
(c)	Rent received ₹5,000	5,000			=	5,000	
	New Equation	1,15,000	+ 10,000		=	1,25,000	
(d)	Salary outstanding ₹2,000				=	-2,000	+ 2,000
	New Equation	1,15,000	+ 10,000		=	1,23,000	+ 2,000
(e)	Prepaid Insurance ₹1,000	-1,000		+ 1,000	=		
	New Equation	1,14,000	+ 10,000	+ 1,000	=		
(f)	Received interest ₹700	700			=	700	
	New Equation	1,14,700	+ 10,000	+ 1,000	=	1,23,700	+ 2,000
(g)	Sold goods for cash (costing ₹5,000) for ₹7,000	7,000	- 5,000		=	2,000	
	New Equation	1,21,700	+ 5,000	+ 1,000	=	1,25,700	+ 2,000
(h)	Goods destroyed by fire ₹500		- 500		=	-500	
	New Equation	1,21,700	+ 4,500	+ 1,000	=	1,25,200	+ 2,000