



S.N.	Transactions	Assets					=	Capital + Liabilities			
		Cash +	Bank +	Stock +	Furniture +	Motor Cycle	=	Capital +	Creditors (Goods)+	Outstanding Rent +	Creditors (Furniture)
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(i)	Commenced business with cash ₹50,000	50,000					=	50,000			
(ii)	Paid into bank ₹10,000	-10,000	10,000				=				
	New Equation	40,000	10,000	-	-	-	=	50,000	-	-	-
(iii)	Purchased goods for cash ₹20,000 and credit ₹30,000	-20,000		50,000			=		30,000		
	New Equation	20,000	10,000	50,000	-	-	=	50,000	30,000	-	-
(iv)	Sold goods for cash costing ₹30,000 for ₹40,000	40,000		-30,000			=	10,000			
	New Equation	60,000	10,000	20,000	-	-	=	60,000	30,000	-	-
(v)	Rent paid ₹500	-500					=	-500			
	New Equation	59,500	10,000	20,000	-	-	=	59,500	30,000	-	-
(vi)	Rent outstanding ₹100						=	-100	100		
	New Equation	59,500	10,000	20,000	-	-	=	59,400	30,000	100	-
(vii)	Bought furniture on credit ₹5,000				5,000		=				5,000
	New Equation	59,500	10,000	20,000	5,000	-	=	59,400	30,000	100	5,000
(viii)	Bought refrigerator for personal use ₹5,000	-5,000					=	-5,000			
	New Equation	54,500	10,000	20,000	5,000	-	=	54,400	30,000	100	5,000
(ix)	Purchased motorcycle for cash ₹20,000	-20,000				20,000	=				
	New Equation	34,500	10,000	20,000	5,000	20,000	=	54,400	30,000	100	5,000



Balance Sheet

As at

Liabilities	Rs.	Assets	Rs.
Capital	54,400	Cash in hand	34,500
Creditors (Goods)	30,000	Cash at bank	10,000
Outstanding Rent	100	Stock	20,000
Creditors (Furniture)	5,000	Furniture	5,000
		Motor Cycle	20,000
Total	89,500	Total	89,500

