

Double Entry Bookkeeping Activity

Account Type Assessment

For each phrase on the left, identify the appropriate account type. You may use an account type more than once.

_____	Cash
_____	What we owe
_____	Things with future benefit
_____	Earned from customers
_____	Profits
_____	Used or benefitted from
_____	Contributed in exchange for ownership

Account Types

Assets

Liabilities

Equity

Revenue

Expenses

Double Entry Bookkeeping Activity Transactions Assessment

Write the TWO effects of each transaction under the correct account types.
Remember, sometimes the effect can be negative.

Trip Williams, wants to start a business called Delivery Trip. He will buy a truck and use it to move things for people and charge them a fee.

	Cash	Other Assets	Liabilities	Equity	Revenue	Expense
Got \$5000 from an Trip to start Delivery Trip.						
Delivery Trip got \$3000 from a bank loan						
Delivery Trip paid \$2500 to purchase a used truck.						
Delivery Trip paid \$500 for gasoline for the truck.						
Delivery Trip got \$8000 from customers for services provided						
Delivery Trip paid \$200 for <u>rope</u> to secure items in transit (it will last a while).						
Delivery Trip paid \$800 to advertise services.						
Delivery Trip got \$500 from a customer, but has not yet provided the service.						
Delivery Trip got a \$200 bill for a cellular phone but hasn't paid it yet.						
Delivery Trip repaid \$1000 of the bank loan.						
Delivery trip has just \$50 of the <u>rope</u> left						
Totals						

Double Entry Bookkeeping Activity Financial Statements and Analysis

Delivery Trip ended his first month with these totals in his account types:

	Cash	Other Assets	Liabilities	Equity	Revenue	Expense
Totals	\$11,500	\$2,550	\$2,700	\$5,000	\$8,000	\$1,650

Complete Delivery Trip's Income Statement:

Revenues	_____
Less: Expenses	_____
Equals: Net Income	

How much does Delivery Trip have in total assets?

How much does Delivery Trip have in Total Equity? Hint: Net Income has something to do with Equity.

Complete Delivery Trip's Balance Sheet

Assets	_____
Liabilities	_____
Equity	_____
Liabilities + Equity	

Questions:

Was Delivery Trip a profitable business after one month?

How much did the investment by Trip Williams grow in one month?

How much of the business assets belong to Trip?

How much of the business assets are owed to someone else?
