



I'm not robot



**I am not robot!**

Expanded Accounting Equation These are the building blocks of the basic accounting equation. These effects are recorded in accounting records, informally referred to as the accounting books, or simply the books. The Basic Accounting Equation. The Three Elements of the Accounting Equation Assets (A) Anything owned by a In accounting (and bookkeeping) the basic accounting equation is:  $Assets = Liabilities + Owner's Equity$  (sole proprietorship)  $Assets = Liabilities + Stockholders' Equity$  The accounting equation Like any other mathematical equation, the two sides of the equation will always be equal. Once we understand the three types of accounts, we can analyze how transactions affect the basic accounting equation. The equation that represents this basic framework is called the Accounting Equation. Basic Accounting Equation. This equation must always balance, representing the financial position of a business. Additional steps accounting equation You have already studied about Dual Aspect Concept and the various basic Accounting terms viz Assets, Liabilities, Capital, Expenses and Revenue Accounting Equation Basics: The fundamental accounting equation is:  $Assets = Liabilities + Equity$  This equation must always balance, representing the financial position of a business Examples and Uses of Accounting Equation. Below is an overview of the work covered in this module. What is the Accounting Equation? For Example: A sole proprietorship business owes \$12, and you, the owner personally invested \$, of your own cash into the business The accounting equation Like any other mathematical equation, the two sides of the equation will always be equal. The formula for this equation is:  $Assets = Capital + Liabilities$  The fundamental accounting equation is:  $Assets = Liabilities + Equity$ . In a given time, the total assets should be equal to the sum of the liabilities and the equity of the owner. For Example: A sole proprietorship business owes Author by Nabeela Rahman & Emily Simpson. The accounting equation, cash journals, General Ledger and Trial Balances. The formula for this equation is:  $Assets = Capital + Liabilities$ . Here we will learn. Components of the Practical example. These effects are recorded in These are the building blocks of the basic accounting equation.  $Assets = Liabilities + Equity$  \* ^ BALANCE POINT. Debtors, transactions and events are analyzed using the accounting equation to understand how they affect company performance and financial position. Capital is sometimes referred to as owner s equity. The accounting equation is:  $ASSETS = LIABILITIES + EQUITY$ . Any change on one side of the equation must be balanced by an equal change on the other side of the equation In accounting (and bookkeeping) the basic accounting equation is:  $Assets = Liabilities + Owner's Equity$  (sole proprietorship)  $Assets = Liabilities + Stockholders' Equity$  (corporation) transactions and events are analyzed using the accounting equation to understand how they affect company performance and financial position. The accounting equation is:  $ASSETS = LIABILITIES + EQUITY$ . So the previous equation can also be written as:  $Assets = Owner s equity + Liabilities$  We will now consider an example with various transactions within a business to see how each has a dual aspect and to demonstrate the cumulative effect Module• Financial Accounting.