

## 2. The Accounting Equation

### 會計術語

**會計帳目分類：** 學會計首先識得將帳目分類，會計帳目可分為七大分類

Account	例子
<b>Assets</b>	Premises, Van, Furniture and fixtures, Inventory, (Trade receivable /Accounts receivable/Debtors), Cash, Cash at Bank, Rent deposit, Accrued revenues, prepaid expenses, goodwill, etc.
<b>Capital</b>	Capital, Current, Ordinary share capital, Preference shares capital, Reserve
<b>Liabilities</b>	Bank loans, bank overdraft, customer deposit, accrued expenses, unearned revenues, (trade payable/accounts payable/creditors), etc.
<b>Revenues</b>	Sales, commission revenues, rental income, discounts received, dividend revenue, interest received, etc.
<b>Expenses</b>	Purchases, Rent and rates, wages and salaries, water and electricity, cost of goods sold, carriage inwards, carriage outwards, discounts allowed, bad debts, depreciation, interest on capital, salary to partner, etc.
<b>Drawings</b>	Drawings
<b>Contra-asset</b>	Allowance for doubtful account, Accumulated depreciation

### The basic accounting equation

$$\text{Assets} = \text{Capital} + \text{Liabilities}$$

### The expanded accounting equation

$$\text{Assets} = [\text{Capital} + (\text{Revenues} - \text{Expenses}) - \text{Drawings}] + \text{Liabilities}$$

例子：

Account
Sales, Allowance for doubtful account, commission revenues, discount allowed, accrued revenue, accrued expenses, purchases, discount received, customer deposit, premises, carriage outwards, dividend income, carriage inwards, goodwill, interest received, van, reserve, wages and salaries, furniture and fixtures, accumulated depreciation, preference share capital, water and electricity, rental deposit, drawings, bank loans, current, depreciation, prepaid expenses, bank overdraft, bad debts, capital, (trade payable/accounts payable/creditors), cash, cost of goods sold, ordinary share capital、inventory, salary to partner, cash at bank, rental income, unearned revenues, interest on capital, (Trade receivable /Accounts receivable/Debtors), Rent and rates

Classify the above accounts:

Account	
<b>Assets</b>	
<b>Capital</b>	
<b>Liabilities</b>	
<b>Revenues</b>	
<b>Expenses</b>	
<b>Drawings</b>	
<b>Contra-asset</b>	