

Principles of Accounting For Events



Diploma in Event Management

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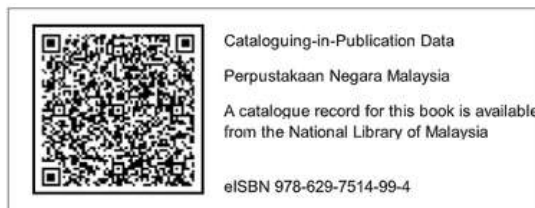
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PREFACE

Accounting for Event aims to give students and event practitioners a clear and practical understanding of basic accounting in event management. Managing events is not just about creativity and operations, but also requires good financial knowledge to ensure proper planning, control, and decision-making.

This book covers key accounting concepts such as bookkeeping, double entry, journals, ledgers, trial balance, and basic financial statements. All topics are explained using simple examples related to real event situations so that readers can easily understand and apply them.

The content is organised in a clear and user-friendly way, making it suitable for diploma and undergraduate students in Event Management, Tourism, Hospitality, and related fields. It is also useful for event organisers and small business owners who want to improve their financial management skills.

It is hoped that this book helps readers become more confident in handling event finances and understand the importance of proper accounting for transparency and efficiency.



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Topic 1: Introduction



- 1.1 Describe the introduction to accounting
 - 1.1.1 Definition of bookkeeping and accounting
 - 1.1.2 Concepts and principles of accounting
 - a. Business Entity
 - b. Going Concern
 - c. Monetary
 - d. Accounting Period
 - e. Matching
 - f. Consistency
 - g. Historical Cost
 - h. Double Entry
 - i. Full Disclosure
 - j. Prudence
 - k. Objectivity
 - l. Materiality
- 1.2 Construct the accounting cycle
 - 1.2.1 Phases in an accounting cycle.

Topic 1 Introduction

1.0 Definition of Accounting

Accounting is the systematic process of **identifying, recording, classifying, summarizing, analyzing** and **interpreting** financial information for decision-making.

“Accounting is the language of business.”

“Accounting is a process of providing financial information to users for planning, controlling and decision-making.”

1.1 Differentiate Bookkeeping and Accounting

Bookkeeping

Bookkeeping is the systematic recording of all financial transactions of a business in an organized manner. It involves documenting every daily transaction such as sales, purchases, payments, and cash receipts.

Examples in the event industry:

- Recording ticket sales for an event or concert
- Recording sponsorship income for a conference
- Recording registration fees for a workshop

Accounting

Accounting is the process of recording, classifying, summarizing, analyzing, and interpreting financial information to support decision-making.

It is broader than bookkeeping because it includes:

- preparing financial statements
- analyzing business performance
- developing budgets and forecasts
- assisting managers in making strategic decisions

Examples in the hospitality industry:

- Analyzing food cost percentage
- Evaluating profitability of banquet events
- Preparing a resort's income statement



The Four Key Steps of Accounting

Accounting is a systematic process, usually divided into four main steps:



1. Recording

Recording all financial transactions in a systematic manner in the accounting books. To ensure every transaction is documented for accuracy and future reference.

Examples:

- Recording ticket sales for an event or concert in the event ledger
- Logging payments made to suppliers for catering, decorations, or equipment hire
- Documenting revenue from sponsorships or registration fees for workshops, conferences, or exhibitions

2. Classifying

Grouping similar transactions into categories or accounts for easy.

To organize financial data so that it can be summarized and analyzed efficiently.

Examples:

- Grouping all ticket sales under "Event Revenue"
- Grouping catering, decoration, and equipment costs under "Event Expenses"
- Grouping staff wages and temporary crew payments under "Personnel Expenses"

3. Summarizing

Compiling classified data into financial statements or summaries. To give a clear overview of the company's financial position and performance.

Examples:

- Preparing Income Statement showing total revenue, total expenses, and profit for the month
- Preparing Balance Sheet showing assets (hotel building, equipment), liabilities (loans), and equity
- Preparing Cash Flow Statement for resort operations

4. Analyzing and Interpreting

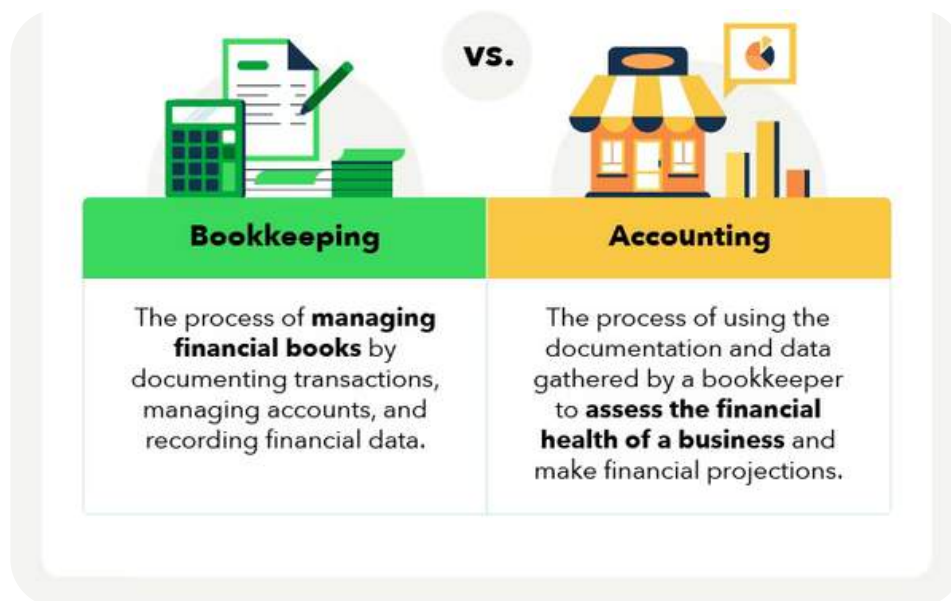
Examining the financial data to understand the business's performance and make informed decisions. To help management evaluate profitability, control costs, and plan for the future.

Examples:

- Analysing catering cost percentage to reduce food and beverage wastage during an event or conference
- Calculating revenue per attendee to assess how efficiently ticket sales generate income
- Interpreting trends in event ticket sales or sponsorships to plan future pricing, promotions, and event scale
- Identifying high operating costs (venue hire, equipment rental, staff wages) and planning cost control for future events

The Four Key Steps of Accounting

Accounting is a systematic process, usually divided into four main steps:



Source :Quickbook Intuit Bookkeeping Vs Accounting



1.1.2 Accounting Concepts and Principles

Separate Business Entity



A business is treated as a separate entity from its owner.

All business transactions must be recorded separately from the personal activities of the owner.

The event organizer's personal travel or entertainment expenses cannot be recorded as event expenses.

Only costs directly related to the event, like venue hire, catering, or marketing, are recorded in the event's accounting books.

Going Concern



The Going Concern Concept assumes that a business will continue to operate for the foreseeable future and has no intention or need to liquidate or stop operations.

In simple terms:

The business is expected to keep running normally.

Monetary Concept



Only transactions that can be measured in monetary terms (money) are recorded in accounting. Because money is a common and uniform unit, it allows businesses to:

- compare costs and revenues
- produce financial statements
- measure performance
- evaluate profitability

Hospitality example:

Anything without a clear monetary value — like guest satisfaction, service quality, staff friendliness, ambience, or reviews — cannot be recorded.

Guest satisfaction or staff morale is not recorded because they cannot be measured in monetary value.

1.1.2 Accounting Concepts and Principles



Historical Cost Concept

Assets must be recorded at their original purchase cost, not current market value. Hospitality example: A hotel records its building at its original purchase price even if the property value increases over time.



Assets = Liabilities + Equity

Double Entry Concept

Every transaction has two effects: a debit and a credit. This keeps the accounting equation (Assets = Liabilities + Equity) in balance. Hospitality example:

When a guest pays cash for a room:

- Cash increases (debit)
- Room revenue increases (credit)



FULL DISCLOSURE

Full Disclosure Principle

All important financial information must be clearly disclosed in the financial statements.

Hospitality example:

If a hotel has a legal case pending, it must disclose this in its financial notes.



PRUDENCE CAUTION

Prudence (Conservatism) Principle

Accountants should avoid overstating assets or income. Record expenses and liabilities as soon as possible, but only recognize revenue when it is certain.

If a hotel expects that some guests may not pay (bad debts), the estimate must be recorded early.

1.1.2 Accounting Concepts and Principles



Accounting Period Concept



ACCOUNTING PERIOD
FINANCIAL REPORTING CYCLE

Financial activities are divided into specific time periods such as monthly, quarterly, or yearly for reporting purposes.

An event management company prepares a monthly income statement to measure revenue from ticket sales, sponsorships, and event-related expenses for that particular month.

Matching Principle



Expenses must be matched with the revenues they help generate during the same accounting period. It is to make sure:

- Shows true profitability for a period
- Avoids overstating or understating profit
- Helps management make accurate decisions
- Required for fair presentation in financial statements



The cost of catering, decorations, and equipment rentals for a conference or banquet must be recorded in the same period as the event revenue.

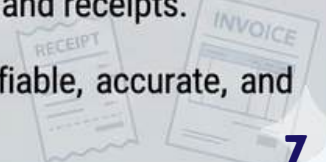
Example: If a seminar earns RM10,000 from registration fees in March, the expenses for catering and venue hire in March should also be recorded in March.

Objectivity



Financial information must be supported by reliable and verifiable evidence. Purchases for an event, such as sound systems, stage equipment, or lighting, must be supported by invoices and receipts.

Reason: This ensures all recorded expenses are verifiable, accurate, and objective for financial reporting.





1.2 Accounting Cycle

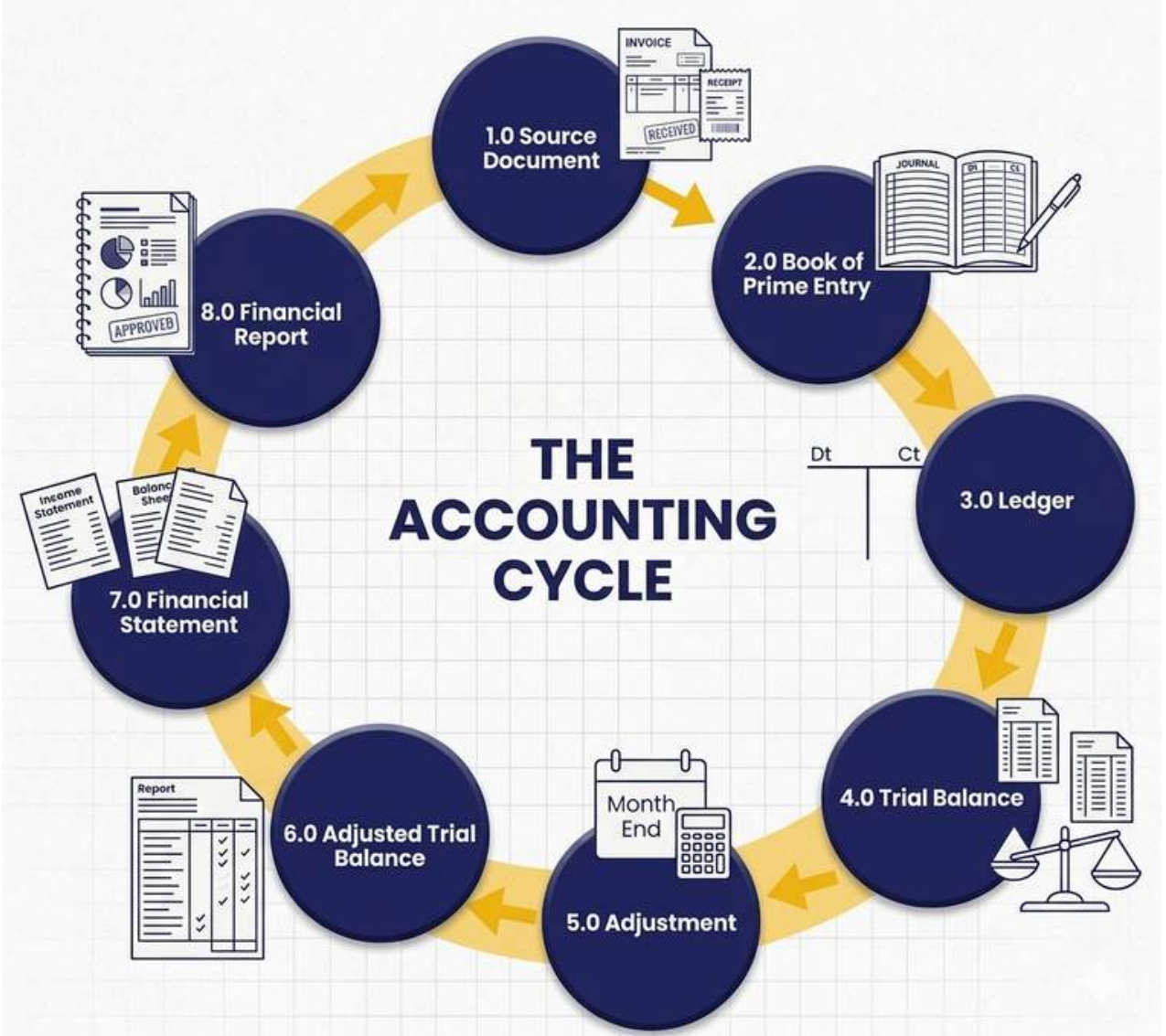


Figure 1: The accounting cycle

1.2.1 Phases in an accounting cycle



1.0 Source Document

The first step in the accounting cycle is to identify transactions using original source documents. Examples include invoices, receipts, debit notes, credit notes, purchase orders, and other essential business forms.



2.0 Book of prime entry

Secondly, the transaction is recorded in the books of prime entry (subsidiary books or journals). This involves preparing specialized journals like the sales journal, cash book, and general journal to enter daily transaction data.



3.0 Ledger

Thirdly, post the recorded transactions from the journals into the ledger accounts. These ledger accounts are then balanced and summarized at the end of the accounting period, often the month.



4.0 Trial Balance

The next step is to prepare the unadjusted trial balance to test the mathematical accuracy of the ledger balances.



5.0 Adjustment

After the unadjusted trial balance is prepared, necessary adjustments (such as accruals, prepayments, depreciation, and error corrections) are made to update accounts and comply with the accrual concept of accounting.



6.0 Adjusted Trial Balance

Then, the adjusted trial balance is prepared to verify that all debits and credits remain equal after the adjustments have been recorded and posted.



7.0 Financial Statement

The financial statements, which include the Statement of Profit or Loss (and Other Comprehensive Income), the Statement of Financial Position (Balance Sheet), and the Statement of Cash Flows, are prepared after the adjusted trial balance.



8.0 Financial Report

Lastly, these finalized financial statements are incorporated into the firm's comprehensive annual financial reports, which are then analyzed and used by stakeholders for decision-making.

REVISION : TOPIC 1

INTRODUCTION TO ACCOUNTING

Section A

1. Define accounting and bookkeeping.
-

Section B

Circle the correct answer.

1. Which principle states that business finances must be recorded separately from the owner's personal finances?
 - A. Matching Principle
 - B. Separate Business Entity Principle
 - C. Cost Principle
 - D. Revenue Recognition Principle
2. Under which principle should all transactions be recorded at their original purchase price?
 - A. Historical Cost Principle
 - B. Consistency Principle
 - C. Prudence Principle
 - D. Going Concern Principle
3. The principle that requires revenue to be recorded when it is earned, not when cash is received, is called:
 - A. Prudence
 - B. Revenue Recognition
 - C. Full Disclosure
 - D. Materiality
4. Which principle assumes that a business will continue to operate in the foreseeable future?
 - A. Timeliness
 - B. Reliability
 - C. Going Concern
 - D. Matching

REVISION : TOPIC 1 INTRODUCTION TO ACCOUNTING

Section C

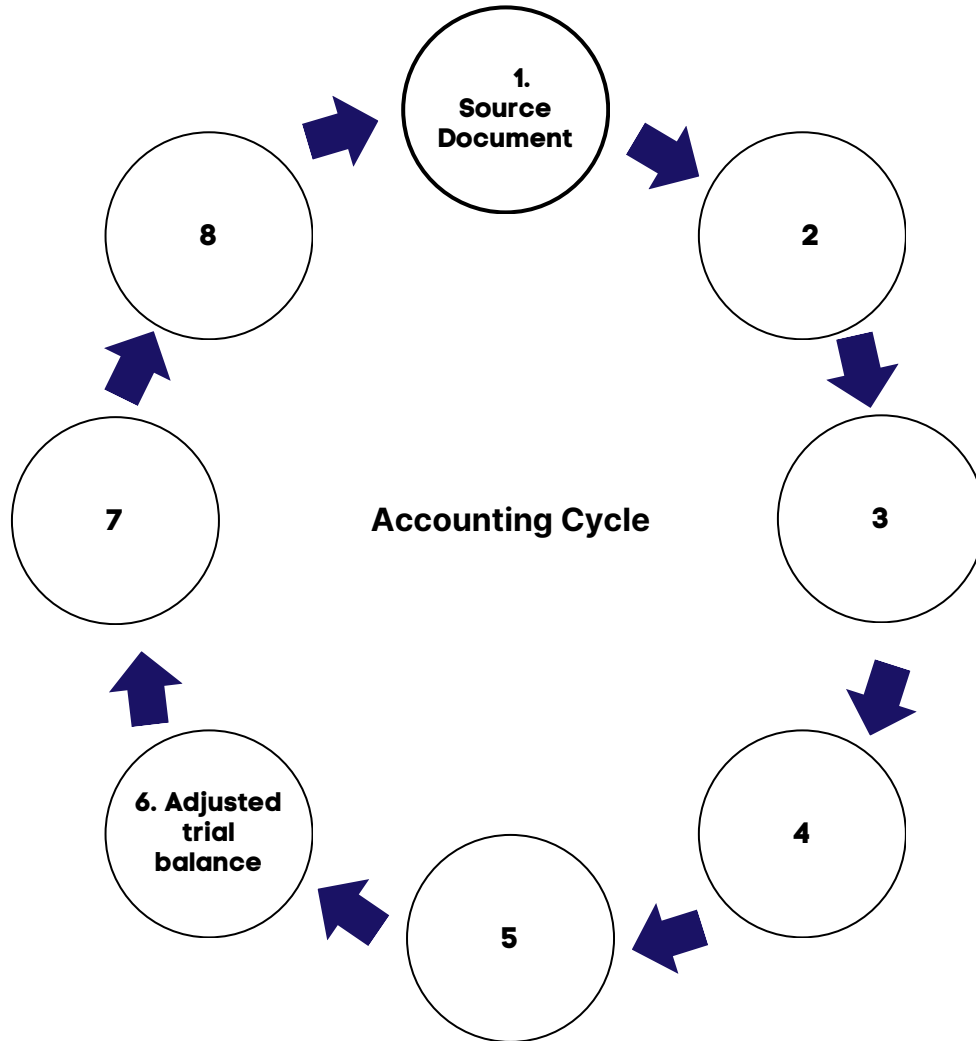
State the accounting concepts for the following transactions :

| NO | SITUATION | ACCOUNTING CONCEPT |
|----|--|--------------------|
| 1 | Your event company purchases 20 units of banquet chairs for RM3,500. Although the market price changes later, the chairs remain recorded at the original purchase price. | |
| 2 | The event manager uses RM500 of her own money to buy flowers for the event, but the transaction is not recorded in the company's accounts because it is considered a personal expense. | |
| 3 | The event manager closes accounts for the year even though some vendor payments for the same event will only be made next year. | |
| 4 | The organizer documents all transactions such as ticket sales, food purchases, and staff payments using monetary values to ensure consistency in reporting. | |
| 5 | A supplier verbally mentions that the cost of LED screens might increase next month. Because the change is uncertain and has no document, the event company does not record any loss. | |
| 6 | A wedding planner recognizes the cost of decorations and the revenue from the wedding package in the same accounting period, even if some payments are made later. | |
| 7 | An event organiser preparing financial statements includes a note explaining that the event venue is under legal dispute, as this information may influence users decisions. | |
| 8 | The company reports financial activities based on the assumption that it will continue operating and organising events for the foreseeable future. | |

REVISION : TOPIC 1 INTRODUCTION TO ACCOUNTING

Section D

Complete the following accounting cycle:



REVISION : TOPIC 1 INTRODUCTION TO ACCOUNTING

Section D

Identify the accurate date for the following accounting periods

| Duration | Starting date | Closing date |
|--------------|-----------------|---------------|
| Yearly | | 30 June 2026 |
| Monthly | 1 February 2026 | |
| Semi Anually | 1 March 2026 | |
| Quarterly | | 31 March 2026 |

Coffee Break

[wordwall.net/resource/113143167](https://www.wordwall.net/resource/113143167)





Topic 2 : Source of Document



2.1 Organize the source documents in business activities

2.1.1 Common documents used in business transactions:

- a. Enquiry letter
- b. Response letter
- c. Order form
- d. Delivery note
- e. Invoice
- f. Cheque and Cheque Butt
- g. Receipts and Cash Vouchers
- h. Debit Notes
- i. Credit Notes
- j. Account Statements
- k. Memo





Topic 2 : Source of Document

2.1 Organize the source documents in business activities



Definition

Source documents are original records that provide evidence of a financial transaction. They are the proof that a transaction occurred and form the basis for recording in the accounting system. Examples: invoices, receipts, vouchers, bank statements, cheque, purchase orders.

Importance of Organizing Source Documents

- Accuracy: Ensures that all transactions are recorded correctly.
- Audit Trail: Provides evidence for auditors or management reviews.
- Financial Control: Helps track expenses, revenues, and payments.
- Decision Making: Accurate source documents provide reliable data for budgeting and planning.
- Legal Compliance: Ensures the business meets statutory and tax requirements.

Example Source Document

Enquiry letter, Response letter, Order form, Delivery note, Invoice, Cheque, Receipt, Debit Notes, Credit Notes, Account Statement, Memo



2.1.1 Common documents used in business transactions:



1. Enquiry Letter

A formal letter sent by the organizer to a supplier/vendor requesting information about products, services, prices, availability, or terms.



Purpose:

- To gather details before making a purchase
- To compare vendors
- To request quotations
- To clarify specifications for event needs



Event Example:

- The Event Manager sends an enquiry letter to a sound system company asking about:
- PA system rental price
 - Availability on event date
 - Technical crew support
 - Payment terms

2. Response Letter

A letter written by the supplier/vendor in reply to an enquiry letter.



Purpose:

- To provide requested information
- To offer quotation
- To explain product/service details
- To propose terms & conditions



Event Example:

- A printing vendor responds to the event team with:
- Price list for bunting, posters, and banners
 - Production timeline
 - Minimum order quantity
 - Delivery terms

3. Order Form

A formal document used by the buyer to place an official order for goods or services.



Purpose:

- To confirm purchase
- To record exact items, quantities, and costs
- To avoid miscommunication
- To serve as proof of order for accounting



Event Example:

- The event team fills in an order form to rent:
- 50 tables
 - 200 chairs
 - 2 tents
 - Delivery and setup included

2.1.1 Common documents used in business transactions:



4. Delivery Note (DN)



A document sent by the supplier to confirm that goods have been delivered to the buyer.

Purpose:

- ✓ Proof that items were delivered
- ✓ Allows the buyer to check quantity & condition
- ✓ Used before issuing payment or signing acceptance



Event Example:

The printing vendor sends a Delivery Note for:

- 10 banners
- 20 buntings
- 2 stage backdrops
- The event crew checks the items and signs the DN.



5. Invoice



A document issued by the seller stating the amount the buyer must pay.

Purpose:

- 1 Request for payment
- 2 Used to record expenses in accounting
- 3 Includes item description, unit price, total cost



Event Example:

A sound & lighting vendor issues an invoice of RM2,500 for equipment rental and crew service.



6. Cheque



A written order instructing the bank to pay a specific amount of money from the issuer's account to a named person or organisation.

Purpose:

- 1 Used to make formal payments
- 2 Provides proof of authorised payment
- 3 Safer than carrying large amounts of cash



Event Example:

The event organiser issues a cheque to a caterer for RM3,000.





2.1.1 Common documents used in business transactions:

7. Cheque Butt (Cheque Counterfoil)

The part of the cheque book that remains after a cheque is torn out. It records details for the issuer's reference.



Purpose:

- Internal record keeping
- Shows cheque number, date, payee, amount
- Helps in bank reconciliation

Event Example:

- For cheque payment to the tent supplier, the organiser records:
 - Date
 - Amount RM850
 - Purpose: Tent rental
 - Cheque number

8. Receipt

A document issued by the seller to confirm that payment has been received.



Purpose:

- Proof of payment
- Used for reimbursement and accounting
- Confirms the amount paid & mode of payment

Event Example:

A deco vendor receives RM450 cash and issues a receipt to the event team.

9. Cash Voucher (Payment Voucher / Petty Cash Voucher)

A document used to record small cash payments made from petty cash.



Purpose:

- Control petty cash
- Track small expenses
- Prevent misuse of event funds

Event Example:

- Petty cash voucher used for:
- RM8 masking tape
 - RM12 cable ties

Voucher includes:

- Amount
- Date
- Person receiving
- Purpose
- Authorised signature



2.1.1 Common documents used in business transactions:



10. Debit Note



A document issued in the buyer to the seller requesting a reduction in price or compensation.

Purpose:

- To claim for damaged goods
- To request price adjustment
- To record returns from buyer to seller

Example:

The event team issues a debit note to a lanyard supplier because 30 lanyards arrived torn.



11. Credit Note

A document issued in the seller to the buyer to confirm a reduction in the amount owed.

Purpose:

- To give discount or refund
- To adjust over-charged amounts
- To confirm returned goods

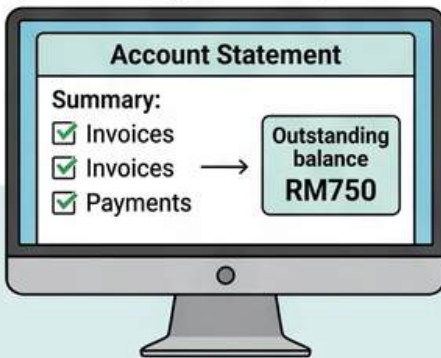
Example:

The printing vendor issues a credit note of RM120 because 4 banners were misprinted.



12. Account Statement (Statement of Account)

A summary issued by the seller showing the buyer's total transactions, amounts paid, and balance owed or a certain period.



Purpose:

- To help buyers check outstanding amounts
- For monthly reconciliation
- To confirm total purchases and payments

Example:

The lighting company sends a statement of account showing:

- All invoices issued for the event
- Payments received
- Outstanding balance RM750



13. Memo (Memorandum)



Definition An internal document used within the organisation.

Purpose:

- Internal communication
- Record internal decisions
- Notify staff about changes or approvals

Example:

Event Manager issues a memo to the logistics team:

'Please prepare 50 chairs and 4 tables for tomorrow's rehearsal.'

2.1.1 Common documents used in business transactions:

THE BUSINESS DOCUMENT CYCLE

Document before business activities



Enquiry Letter
Response Letter
Order Form/ Purchase Order



Document during business activities



Delivery Note
Invoice



Document after business activities



Cheque and Cheque Butt
Receipts and Cash Vouchers
Debit Notes
Credit Notes
Account Statements
Memo



**REVISION : TOPIC 2
SOURCE OF DOCUMENT**

SECTION A

1. LIST THE SOURCE OF DOCUMENT IN ACCOUNTING BASED ON THE FOLLOWING PHASE:



BEFORE



DURING



AFTER

2. EXPLAIN BRIEFLY THE FOLLOWING DOCUMENT

| SOURCE DOCUMENT | EXPLANATION |
|-----------------|-------------|
| Order Form | |
| Response Letter | |
| Invoice | |
| Credit Notes | |
| Debit Notes | |

**REVISION : TOPIC 2
SOURCE OF DOCUMENT**

3. IDENTIFY THE SUITABLE SOURCE DOCUMENT BASED ON THE GIVEN TRANSACTIONS.

| NO | TRANSACTION | SOURCE DOCUMENT |
|----|--|-----------------|
| 1 | The event manager contacts a catering company to ask about the price of a 200-pax buffet package. | |
| 2 | The event organizer confirms an order for 50 tables and 200 chairs for the upcoming festival. | |
| 3 | The event organizer receives a charge of RM2,000 from the sound system company for equipment rental during the concert. | |
| 4 | The printing company reduces RM80 from the event bill after discovering they overcharged for two banners. | |
| 5 | The event team requests a deduction for 15 damaged lanyards returned to the supplier. | |
| 6 | The organiser makes a payment of RM450 to the decoration vendor for table centrepieces and receives confirmation of payment. | |
| 7 | The event organizer issues RM3,500 as payment to the catering company using a cheque. | |



3.0 Books of Prime Entry

3.1 Differentiate between General Journal and Special Journal

3.1.1 Items recorded in General Journal based on event industry activities

- a. Opening entry
- b. Purchase and sales of fixed assets
- c. Drawing of goods and fixed assets
- d. Additional capital

3.1.2 Items recorded in Special Journal based on event industry activities

- a. Purchases Journal
- b. Sales Journal
- c. Purchases Return Journal
- d. Sales Returns Journal

3.2 Manage a Cash Book

3.2.1 Transactions recorded in Cash Book

Topic 3: Book of Prime Entry

Introduction

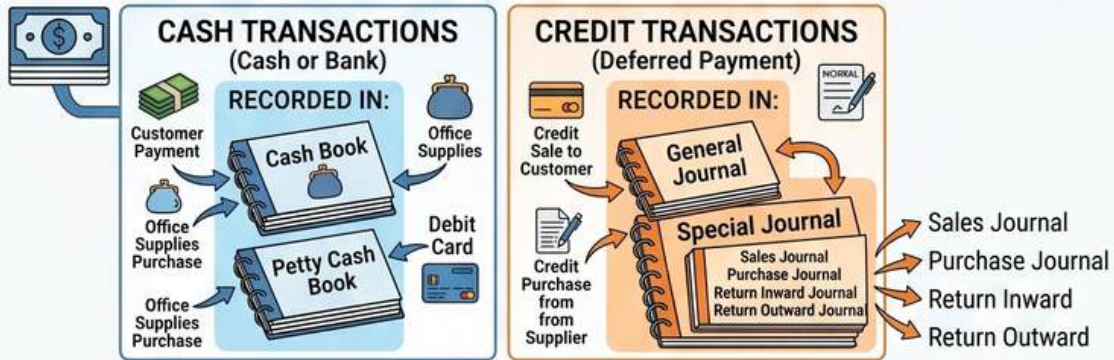
A Book of Prime Entry (also called the book of original entry) is the first place where financial transactions are recorded before they are posted to the ledger.

Books of prime entry consists of :

- Journal
- Cash book



WHERE ARE TRANSACTIONS RECORDED?



Journals consist of two types:

1. General Journal
2. Special Journal

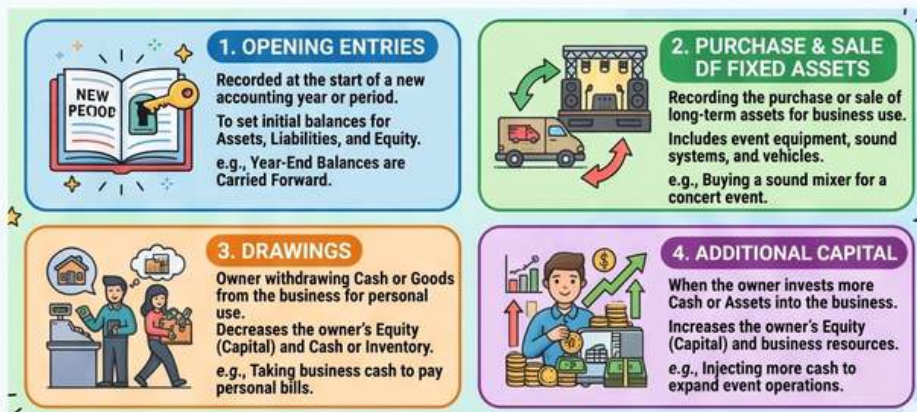
1. General Journal

Used to record non-routine transactions or any transaction that does not fit into a special journal. Examples: adjustments, corrections, asset purchases, opening and closing entries.

General Journal

Purpose / Used to Record

- The General Journal is used to record non-routine or special transactions that do not fit into special journals. Specifically, it is used for:



2. Special Journals


Used to record frequent and repetitive transactions that fall into specific categories. Types under Special Journals include:



Topic 3: Book of Prime Entry

Figure below shows the format of General Journal

| Date | Particular | Debit | Credit |
|------------|------------|----------|----------|
| 2026 Jan 1 | Cash | RM 10000 | |
| | Capital | | RM 10000 |



Transaction date

Name of acc to be debited


↓

Name of acc to be credited

↑


Amount for debited acc

↑



Amount for credited acc




↓



Method of Recording in General Journal

Opening Entry

Opening entries are made to record assets, liabilities and owner's equity (capital) for the purpose of:

- 
Starting an existing firm's accounting records for a new accounting period.
- 
Starting business records for a newly established business.


The journal entry to record the opening entry is:







| | | |
|-----------|-----------|-------------------------------|
| DR | Asset | |
| | CR | Liabilities Owner's equity |



Topic 3: Book of Prime Entry

Example 3.1

Bright Stage Event Services began operations on 1 March 2026 with the following balances:

-  Cash RM4,000
-  Bank RM6,500
-  Event equipment RM12,000
-  Office furniture RM2,000
-  Amount owing to Venue Supplier RM3,000
-  Owner's capital RM21,500



Record the opening entry in the General Journal.



General Journal

| Date | Details | Dr (RM) | Cr (RM) |
|-------------|--|---------------|---------------|
| Mar 1, 2026 | Cash | 4,000 | |
| | Bank | 6,500 | |
| | Event Equipment | 12,000 | |
| | Office Furniture | 2,000 | |
| | Cr Accounts Payable – Venue Supplier | | 3,000 |
| | Cr Capital | | 21,500 |
| | (Being opening balances transferred to capital at the start of operations) | | |
| | Totals | 24,500 | 24,500 |

OPENING ENTRIES & FIXED ASSETS

Card 1: Opening Entry Problem (Example 3.1.1)

Event Craft Enterprise started its business on 1 January 2025 with the following balances:

-  Cash in hand: RM2,500
-  Cash at bank: RM10,000
-  Sound system equipment: RM8,000
-  Laptop: RM3,000
-  Amount owing to LED Screen Supplier: RM4,000
-  Owner's capital: RM19,500

Prepare the opening entry in the General Journal.

THE FIRST GENERAL JOURNAL

| Date | Details (Particulars) | Debit (RM) | Credit (RM) |
|------------|--|------------|-------------|
| 1 Jan 2025 | Cash in Hand | 2,500 | |
| | Cash at Bank | 10,000 | |
| | Sound System | 8,000 | |
| | Laptop | 3,000 | |
| | Accounts Payable – LED Supplier | | 4,000 |
| | Capital | | 19,500 |
| | (Being assets, liabilities and capital recorded at the commencement of business) | | |

LESSON: PURCHASE OF FIXED ASSETS

Purchase of fixed asset

- Credit purchase of fixed assets
- The journal entry to record the purchase of fixed assets is:

| | | | |
|-----------|-------------|-----------|--|
| DR | Fixed Asset | | |
| | CR | Creditors | |

Card 2: Fixed Asset Problem (Example 3.2)

On 5 Feb 2025, Company bought a sound system for RM8,000, paid by bank.

THE SECOND GENERAL JOURNAL

| Date | Details (Particulars) | Dr (RM) | Cr (RM) |
|------------|---------------------------------------|---------|---------|
| 5 Feb 2025 | Sound System | 8,000 | |
| | Bank | | 8,000 |
| | (Purchased sound system paid by bank) | | |

General Journal Entry: Study Examples & Concepts

BLOCK 1: PURCHASING ON CREDIT

1. Purchasing Fixed Assets on Credit



Example 3.2.1

On 8 Feb 2025, company bought an LED projector for RM5,500 on credit from Vision Supplier.

General Journal

| Date | Details | Dr (RM) | Cr (RM) |
|------------|--|---------|---------|
| 8 Feb 2025 | LED Projector | 5,500 | |
| | Accounts Payable – Vision Supplier | | 5,500 |
| | <i>(Purchased LED projector on credit)</i> | | |

BLOCK 2: SALES CONCEPTS

2. Concepts: Sales of Fixed Assets



Sales of fixed asset

- Credit sales of fixed assets
- The journal entry to record the credit sales of fixed assets is:

| | |
|-----------|--------------|
| DR | Debtors |
| CR | Fixed Assets |

BLOCK 3: CASH SALES

3. Sales for Cash (No Gain or Loss)



Example 3.3

On 5 March 2025, An event company sold a lighting equipment for cash RM5,000. The asset had a book value of RM5,000 (no gain or loss).

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|--------------|----------------------------------|------------|-------------|
| 5 March 2025 | Cash | 5,000 | |
| | Lighting Equipment (Fixed Asset) | | 5,000 |

BLOCK 4: CREDIT SALES

4. Sales on Credit



Example 3.3.1

On 5 March 2025, An event company sold a LED screen to a client on credit RM8,000.

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|--------------|--------------------------|------------|-------------|
| 5 March 2025 | Debtor | 8,000 | |
| | LED Screen (Fixed Asset) | | 8,000 |



Drawing Goods and Fixed Assets



Drawing of Goods

- The journal entry to record the drawing of goods is:

DR Drawing
CR Purchase



EXAMPLE 3.4



On 15 March 2025, The owner of an event company took stage decoration materials valued at RM1,200 from the business for personal use.

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|---------------|-------------------|------------|-------------|
| 15 March 2025 | Drawings | 1,200 | |
| | Inventory (Goods) | | 1,200 |

EXAMPLE 3.4.1



On 12 April 2026, the owner of Star Event Management took catering supplies worth RM800 for personal use.

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|---------------|-------------------|------------|-------------|
| 12 April 2026 | Drawings | 800 | |
| | Inventory (Goods) | | 800 |

Drawing of fixed asset

- The journal entry to record the drawing of fixed assets is:

DR Drawing
CR Fixed Assets

EXAMPLE 3.5



On 15 April 2026, the owner of Elite Event Management took a company projector valued at RM3,000 for personal use.

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|---------------|-------------------------|------------|-------------|
| 15 April 2026 | Drawings | 3,000 | |
| | Projector (Fixed Asset) | | 3,000 |

WORKSHOP: GENERAL JOURNAL ENTRY EXAMPLES (DRAWINGS & CAPITAL)

EXAMPLE 3.5.1

On 20 April 2026, the owner of Star Event Management took a sound system valued at RM5,000 for personal use.

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|---------------|----------------------------|------------|-------------|
| 20 April 2026 | Drawings | 5,000 | |
| | Sound System (Fixed Asset) | | 5,000 |

ADDITIONAL CAPITAL

- The journal entry to record the additional capital is:

DR Assets
 CR Capital

EXAMPLE 3.6

On 28 April 2026, the owner of Star Event Management introduced a new projector valued at RM8,000 into the business as additional capital.

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|---------------|-------------------------|------------|-------------|
| 28 April 2026 | Projector (Fixed Asset) | 8,000 | |
| | Capital | | 8,000 |

EXAMPLE 3.6.1

On 5 May 2026, the owner of Star Event Management brought in a sound system worth RM7,500 to be used in the business.

General Journal

| Date | Particulars | Debit (RM) | Credit (RM) |
|------------|----------------------------|------------|-------------|
| 5 May 2026 | Sound System (Fixed Asset) | 7,500 | |
| | Owner's Capital | | 7,500 |

3.1.2 Special Journal



Definition

Special Journal refers to a book of prime entry used to record specific types of frequent business transactions in a systematic way, instead of recording them all in the General Journal.

Repetitive transactions like:

- ✓ Sales on credit → Sales Journal
- ✓ Purchases on credit → Purchases Journal
- ✓ Cash receipts → Cash Receipts Journal
- ✓ Cash payments → Cash Payments Journal

Example:

When a company sells event tickets on credit to clients repeatedly, all such sales are recorded in the Sales Journal rather than the General Journal.

| Date | Item | Invoice No. | Folio | Amount (RM) | Total (RM) |
|------------|-------------------------|-------------|-------|-------------|------------|
| 3 May 2026 | Event Ticket Sales | INV001 | 101 | 5,000 | 5,000 |
| 5 May 2026 | Corporate Event Booking | INV002 | 102 | 8,000 | 8,000 |
| 8 May 2026 | Wedding Event Package | INV003 | 103 | 10,000 | 10,000 |

Figure 3.2.1 Special journal format



Figure 3.2.2 Types of special journal

3.1.2 Special Journal

Method of recording in Special Journal



a) Purchase Journal

Purchases Journal is a special journal used to record all **credit purchases** of goods or services. It is a book of prime entry, meaning transactions are first entered here before being posted to the ledger.

Purpose:

- ✓ To organize repetitive credit purchases systematically.
- ✓ To make posting to the Creditors Ledger and Purchases Ledger easier.

Process of Recording in Purchases Journal:

- Step 1:** Identify the transaction
- Step 2:** Record the Date and Supplier
- Step 3:** Enter Invoice Number and Item Details
- Step 4:** From the purchase invoice received, the buyer records the relevant details the purchase journal.

Example 3.10 Elite Event Management

Elite Event Management made the following credit purchases:

- 5 May 2026 – **Stage Decoration** worth **RM6,000** from **XYZ Enterprise** (Invoice INV001)
- 8 May 2026 – **Catering Supplies** worth RM4,500 from ABC Supplies (Invoice INV002)
- 10 May 2026 – **Lighting Elighting** worth **RM5,000** from **DEF Traders** (Invoice INV003)

| Purchase Journal | | | | | |
|------------------|-----------------------|------------|-------|-------------|------------------|
| Date | Particular (Supplier) | Invoice No | Folio | Amount (RM) | Total (RM) |
| 5 May 2026 | XYZ Enterprise | INV001 | 101 | | 6,000 |
| 8 May 2026 | ABC Supplies | INV002 | 102 | | 10,500 |
| 10 May 2026 | DEF Traders | INV003 | 103 | | 15,500 |
| 30 May 2026 | Purchase Account (Dr) | | | | RM 15,500 |



The **total purchases** at the end of the month in the Purchases Journal are transferred to the ledger.

The **total purchases** are recorded as a **debit** in the **Purchases Ledger** to reflect the total expense of goods purchased, while the amounts owed to each supplier are recorded as a **credit** in the **Creditors Ledger**.



Sales Journal



Sales Journal is a special journal used to record credit sales of goods only made to customers. Cash sales are not recorded here.

Purpose of Sales Journal

- To record all credit sales transactions systematically
- To reduce entries in the General Journal
- To make posting to the Ledger more efficient
- To track debtors (accounts receivable) accurately

Transactions Recorded in Sales Journal

- ✓ Credit sales of merchandise
- ✗ Cash sales (recorded in Cash Book)
- ✗ Sale of fixed assets (recorded in General Journal)

Example 3.11

The following are transactions that occurred during the month of April 2026 for Zhafran Enterprise.

| Date | Particulars | RM |
|---------------------|---|------|
| 2026 April 15 | Sold goods to Maria on credit. 5 % trade discount | 3500 |
| 20 | Nasir purchase goods from us on credit | 2100 |
| 28 | Sold good to Akmal on credit | 2400 |



Sales Journal

| Sales Journal | | | | | |
|---------------|---------------------------------|-------------|-------|---------------|-------------|
| Date | Particulars | Invoice No. | Folio | Amount | Total (RM) |
| 2026 April 15 | Maria Less 5% trade discount | | | 3500 (175) | 3325 |
| 20 | Nasir | | | | 2100 |
| 28 | Akmal | | | | 2400 |
| 30 | Sales Account (Cr) | | | | 7825 |

↑
At the end of the month, sales journal will be close and the total will be transferred to sales account at the credit sales



Purchase Return Journal / Return Outwards Journal

Purchase Return Journal, also known as the Return Outwards Journal, is a special journal used to record returns of goods previously purchased on credit and sent back to suppliers.

Purpose

- To record credit purchases returned systematically
- To reduce entries in the General Journal
- To monitor returns to suppliers
- To ensure accurate balances in Creditors' accounts

Transactions Recorded

| | |
|---|---|
| ✓ | Goods returned to suppliers (credit purchases only) |
| ✗ | Cash purchases returned |
| ✗ | Return of fixed assets |



Source Document:

Debit Note (issued by the buyer to the supplier)

Example 3.12

The following are transactions that occurred during the month of Sept 2026 for Zarif Enterprise

| Date | Particulars | RM |
|-------------------|---|-----|
| 2026 Sept 7 | Returned goods to Ting Sdn Bhd due to defect goods | 150 |
| 13 | Returned goods to Razak Supplier due to packaging error | 100 |
| 22 | Returned goods to Din Berhad 5 % trade discount | 180 |

| Return Outwards Journal | | | | | |
|-------------------------|-------------------------------------|------------|-------|------------|------------|
| Date | Particulars | Invoice No | Folio | Amount | Total (RM) |
| 2026 Sept 7 | Ting <u>Sdn Bhd</u> | | | | 150 |
| 13 | Razak Supplier | | | | 100 |
| 22 | Din <u>Berhad</u> 5% trade discount | | | 180 (9) | 171 |
| 30 | Return Outwards Account (Cr) | | | | 421 |





↑
At the end of the month, return outwards journal will be close and the total will be transferred to return outwards account at the credit

Sales Return Journal / Return Inwards Journal

Sales Return Journal / Return Inwards Journal

Sales Return Journal, also known as the Return Inwards Journal, is a special journal used to record returns of goods previously sold on credit by customers.

Definition & Purpose

- To record credit sales returns systematically 
- To reduce entries in the General Journal 
- To control and monitor returns from customers 
- To maintain accurate balances in Debtors' accounts 

Transactions Recorded

- ✓ Goods returned by customers (credit sales only)
- ✗ Cash sales returns
- ✗ Return of fixed assets

Source Document

- Credit Note (issued by the seller to the customer)

Example 3.12

The following are transactions that occurred during the month of Sept 2026 for Anna Sdn Bhd

| Date | Particulars | RM |
|-------------------|---|-----|
| 2026 Sept 7 | Siti returned good to us. 5 % trade discount | 840 |
| 13 | Anzalna returned goods | 600 |
| 22 | Johan returned good to us due to defect goods | 150 |

Return Inwards Journal

| Date | Particulars | Invoice No | Follo | Amount | Total (RM) |
|----------------|--|------------|-------|-------------|-------------|
| 2026 Sept 7 | Siti | | | 840 (42) | 798 |
| 13 | Anzalna | | | | 600 |
| 22 | Johan | | | | 150 |
| 30 | Return Inwards Account (Dr) | | | | 1548 |

At the end of the month, return inwards journal will be close and the total will be transferred to return inwards account at the debit side.



EXAMPLE 3.13

The following are the transaction extracted from Jamal Cafe. You are required to record the transaction in appropriate journals.



TRANSACTIONS LIST

| Date | Transactions |
|----------------|--|
| 2026 Sept 1 | Started a business with cash at bank RM 15000, furniture RM 10000 and premises RM 100 000. |
| 5 | Purchased goods RM 1780 on credit from Lee Trading, less 5% trade discount. |
| 9 | Purchase a computer on credit amount RM 1500 from Jaya Computer for office use |
| 12 | Sold goods to Ahmad on credit amount RM 1850 |
| 18 | The owner took goods amount RM 80 for personal use |
| 22 | Returned goods to Lee trading amount RM 880 with 5% trade discount |
| 26 | The owner brought in own table valued RM 350 for office use |
| 28 | Purchase goods from Lee Trading on credit amount RM 2880, less 5% trade discount |
| 30 | Sold goods to Ahmad on credit amount RM 1650 |



GENERAL JOURNAL

| Date | Particulars | Folio | Debit (RM) | Credit (RM) |
|----------------|---|-------|--------------------------|-------------|
| 2026 Sept 1 | Bank Furniture Premises Capital (starting a business with asset and equity) | | 15000 10000 100000 | 125000 |
| 9 | Office Equipment Jaya Computer (purchase a computer for office use) | | 1500 | 1500 |
| 18 | Drawing Purchase (owner took goods for personal use) | | 80 | 80 |
| 26 | Office equipment Capital (owner brought in a table for office use) | | 350 | 350 |





Purchase Journal

| Date | Particulars | Invoice No | Folio | Amount RM | Total RM |
|-------------|---------------------------------------|------------|-------|---------------|-------------|
| 2026 Sept 5 | Lee Trading Less 5% trade discount | | | 1780 (89) | 1691 |
| 28 | Lee Trading Less 5% trade discount | | | 2880 (144) | 2736 |
| 30 | Purchase Account (Dr) | | | | 4427 |



Sales Journal

| Date | Particulars | Invoice No | Folio | Amount RM | Total RM |
|--------------|---------------------------|------------|-------|-----------|-------------|
| 2026 Sept 12 | Ahmad | | | | 1850 |
| 30 | Ahmad | | | | 1650 |
| 30 | Sales Account (Cr) | | | | 3500 |



Return Outwards Journal

| Date | Particulars | Invoice No | Folio | Amount RM | Total RM |
|--------------|---------------------------------------|------------|-------|-------------|------------|
| 2026 Sept 22 | Lee Trading Less 5% trade discount | | | 880 (44) | 836 |
| 30 | Return Outwards Acc (Cr) | | | | 836 |



CASH BOOK

Prime Entry



A **Cash Book** is a book of prime entry used to record all cash and bank transactions of a business. It records cash receipts and cash payments as they occur, and it serves as both a

Characteristics of a Cash Book

- Records cash received and cash paid
- Includes bank transactions (cheque, online transfers, bank deposits)
- Prepared daily
- Eliminates the need for separate Cash Account and Bank Account in the ledger

Transactions Recorded in a Cash Book

- ✓ Cash sales
- ✓ Cash purchases
- ✓ Cash received from customers
- ✓ Cash paid to suppliers
- ✓ Bank deposits and withdrawals
- ✓ Payment of expenses (rent, wages, utilities)
- ✗ Credit transactions (recorded in special journals)

The cash book double entry principle is as follow:

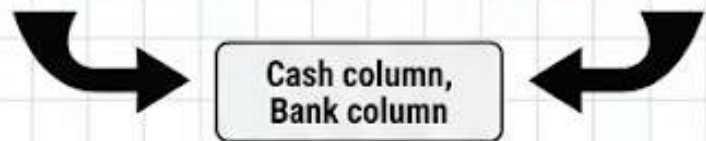
↑ **DR Receipts** (Cash Inflows)

↓ **CR Payments** (Cash Outflows)

There are two types of cash book format:

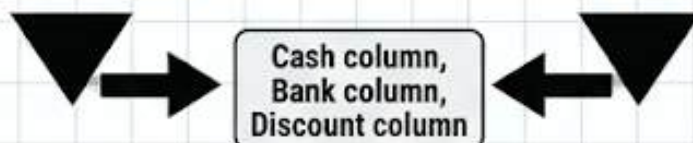
a) Two column cash book.

| DR | | | | | | Cash Book | | | | CR | |
|------|-------------|-----|------|------|--|-----------|-------------|-----|------|------|--|
| Date | Particulars | Fol | Cash | Bank | | Date | Particulars | Fol | Cash | Bank | |
| | | | | | | | | | | | |



a) Three column cash book.

| DR | | | | | | Cash Book | | | | | CR | |
|------|-------------|-----|-------------|------|------|-----------|-------------|-----|------------|------|------|--|
| Date | Particulars | Fol | Dis Allo RM | Cash | Bank | Date | Particulars | Fol | Dis Rec RM | Cash | Bank | |
| | | | | | | | | | | | | |



Note: The different between these two formats is that there are discount columns in the three column cash book.

Method of Recording in the Cash Book

Method of Recording in the Cash Book

a) Opening cash or bank balance

Example:



On 1 June 2028, Elite Event Management had the following opening balances:

- Cash RM8,000
- Bank RM15,000

Required:

Show how the above balances are recorded in the Cash Book.



| DR  | | Cash Book | | | | | | | |  CR |
|--|-------------|-----------|-----------|-----------|------|-------------|-------|-----------|-----------|--|
| Date | Particulars | Folio | Cash (RM) | Bank (RM) | Date | Particulars | Folio | Cash (RM) | Bank (RM) | |
| 1 June 2026 | Balance | b/d | 8,000 | 15,000 | | | | | | |

b) Receipts and payments by cash or cheque

Receipts and payments by cash or cheque refer to money received and money paid by a business either in cash or through the bank (cheque). These transactions are recorded in the Cash Book.

- **Receipts:** Money received by the business
- **Payments:** Money paid by the business
- **Cash:** Physical cash received or paid
- **Cheque:** Payments or receipts made through the bank



Example :

Receipts

- Cash received from ticket sales RM3,000
- Cheque received from Jamal Enterprise RM5,000



Payments

- Cash paid for minor event expenses RM800
- Cheque paid to supplier for stage rental RM4,500

| DR  | | Cash Book | | | | | | | |  CR |
|--|------------------|-----------|-----------|-----------|---------|----------------|-----|-----------|-----------|--|
| Date | Particulars | Fol | Cash (RM) | Bank (RM) | Date | Particulars | Fol | Cash (RM) | Bank (RM) | |
| 2026 July 3 | Ticket Sales | | 3,000 | | July 5 | Event Expenses | | 800 | | |
| July 8 | Jamal Enterprise | | | 5,000 | July 12 | Stage Rental | | | 4,500 | |



c) Transfer cash from the office to the bank and vice versa (contra entries)

A contra entry is a double entry that involves both a cash account and bank account

Example:



2026, May 11 - Money withdrawn from bank for office use, RM 1500

| DR | | Cash Book | | | | | | CR | |
|-------------|-------------|-----------|---------|------|-------------|-------------|-----|------|---------|
| Date | Particulars | Fol | Cash RM | Bank | Date | Particulars | Fol | Cash | Bank RM |
| 2026 May 11 | Bank | C | 1500 | | 2026 May 11 | Cash | C | | 1500 |



d) Recording cash discount

A cash discount is a reduction in the price of an item for sales allowed if payment is made within the period of time.

It is usually given to encourage debtors (customers) to settle their debts earlier or within a specified period.

Discount terms are usually stated in the invoice.

There are two types of cash discount:

- 1. Discount allowed (expense) - given to debtors or customers
- 2. Discount received (revenue) - received from creditors or suppliers



Example

Discount Allowed

| Date | Particulars |
|------------|--|
| 2026 May 5 | Sold goods on credit to Rizal Enterprise for RM 5100. Trade discount is RM 100 |
| 7 | Received cheque from Rizal Enterprise after allowing 5% discount |



| DR | | Cash Book | | | | | | | | | CR | |
|------------|------------------|-----------|----------|---------|---------|------|-------------|-----|------------|---------|---------|--|
| Date | Particulars | Fol | Dis Allo | Cash RM | Bank RM | Date | Particulars | Fol | Dis Rec RM | Cash RM | Bank RM | |
| 2026 May 7 | Rizal Enterprise | | 250 | | 4750 | | | | | | | |

Note: The different between these two formats is that there are discount columns in the three column cash book.

**Calculation :**

Sales = RM 5100 - RM 100
 = RM 5000
 = 5% x RM 5000
 = RM 250



Example



Discount Received



| Date | Particulars |
|-------------|---|
| 2026 May 10 | Purchased goods on credit from Yumi Suppliers RM 6000 . 5% trade discount |
| 15 | Paid Yumi Suppliers by cheque and received cash discount of 5% |

**DR**

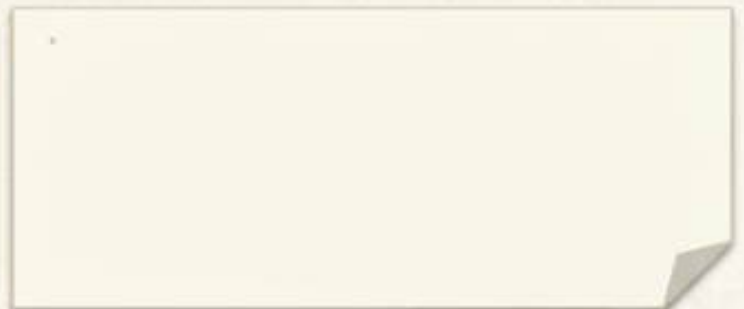
Cash Book

**CR**

| Date | Particulars | Fol | Dis Allo | Cash RM | Bank RM | Date | Particulars | Fol | Dis Allo | Cash RM | Bank RM |
|------|-------------|-----|----------|---------|---------|-------------|----------------|-----|----------|---------|---------|
| | | | | | | 2026 May 10 | Yumi Suppliers | | 285 | | 5415 |

Calculation :

Sales = RM 6000
 = 5% x RM 6000
 = RM 300
 = RM 5% X RM 5700
 = RM 285



Dishonoured cheque

A dishonoured cheque is a cheque that the bank refuses to pay when it is presented for payment. This usually happens due to issues on the drawer's side.

Common reasons:

- ✔ Insufficient funds in the bank account
- ✔ Signature does not match bank records
- ✔ Cheque is post-dated or stale
- ✔ Overwritten or incorrectly filled details
- ✔ Account closed or frozen

Accounting treatment (basic):

When a cheque previously received and recorded is dishonoured, the receipt entry must be reversed:

- Debit: Debtor's Account
- Credit: Bank Account

| Date | Particulars |
|-------------|---|
| 2026 Oct 10 | Jamil Enterprise paid off its debt of RM 7600 by cheque. 5% cash discount given. |
| 20 | The cheque received from Jamil Enterprise was returned by the bank as it was dishonoured. The discount allowed was cancelled. |

| DR | | | | | | Cash Book | | | | | | CR | |
|-------------|------------------|-----|----------|---------|---------|-------------|------------------|-----|----------|---------|---------|----|--|
| Date | Particulars | Fol | Dis Allo | Cash RM | Bank RM | Date | Particulars | Fol | Dis Allo | Cash RM | Bank RM | | |
| 2026 Okt 10 | Jamil Enterprise | | 380 | | 7220 | 2026 Okt 20 | Jamil Enterprise | | | | 7600 | | |



General Journal

| Date | Particulars | Fol | Debit RM | Credit RM |
|-------------|--|-----|----------|-----------|
| 2026 Okt 20 | Jamil Enterprise (dishoured cheque) Dis allowed (dis allowed of 5% cancelled due to dishonoured cheque) | | 400 | 400 |

Example

The following are transactions by Elite Event Management for the month July 2026. You are required to prepare two column cash book for the transaction below.

| Date | Particulars | Amount (RM) |
|-------------|---|--------------------|
| July 1 | Balance b/d | 12,500 |
| July 3 | Received cash from ticket sales (corporate seminar) | 3,800 |
| July 5 | Paid office rent by cash | 2,000 |
| July 7 | Received cheque from Hana Enterprise (event services) | 5,600 |
| July 10 | Paid sound system maintenance by cash | 1,450 |
| July 12 | Deposited cheque received from Hana Enterprise | 5,600 |
| July 15 | Paid electricity bill by cash | 620 |
| July 18 | Received cash from exhibition booth rental | 4,200 |
| July 22 | Cheque from Hana Enterprise dishonoured | 5,600 |
| July 25 | Paid staff wages by cash | 3,300 |
| July 28 | Received cash for event consultation services | 2,750 |

EXAMPLE

The following are transactions by Mega Event Management for the month August 2026. You are required to prepare two column cash book for the transaction below.

| DATE | PARTICULARS | AMOUNT (RM) |
|-----------|--|-------------|
| Aug 1 | Balance b/d | 8,500 |
| Aug 3 | Balance b/d (Bank) | 12,000 |
| Aug 5 | Received cash from tickets (music event) | 4,200 |
| Aug 7 | Paid office supplies Alpha Enterprise (discount allowed RM200) | 6,000 |
| August 10 | Paid advertsing expenses by cheque | 3,500 |
| August 12 | Paid Beta Service by cash (discount received RM150) | 2,800 |
| August 15 | Received cash from exhibition booth rental | 2,800 |
| August 15 | Received cash from exhibition booth event | 5,400 |
| August 18 | Paid electricity bill by cash | 620 |
| August 20 | Received cheque from Creative Solutions (discount allowed RM300) | 4,500 |
| August 24 | Paid staff wages by cash | 3,200 |
| August 27 | Paid printing expenses by cheque | 1,900 |
| August 30 | Received cash for event consultation services | 2,650 |

| DR | | CASH BOOK | | | | | | CR | |
|--------|-----------------------------|-----------|-----------|-----------|--------|--------------------------|-----|-----------|-----------|
| Date | Particulars | Fol | Cash (RM) | Bank (RM) | Date | Particulars | Fol | Cash (RM) | Bank (RM) |
| Jul 1 | Balance b/d | | 12,250 | — | Jul 5 | Office rent | | 2,000 | — |
| Jul 3 | Ticket sales | | 3,800 | — | Jul 10 | Sound system maintenance | | 1,450 | — |
| Jul 7 | Hana Enterprise (cheque) | | — | 5,600 | Jul 12 | Cash deposited (Contra) | | 5,600 | — |
| Jul 18 | Exhibition booth rental | | 4,200 | — | Jul 15 | Electricity bill | | 620 | — |
| Jul 28 | Event consultation services | | 2,750 | — | Jul 22 | Dishonoured cheque | | — | 5,600 |
| | | | | | Jul 25 | Staff wages | | 3,300 | — |
| | | | | | Jul 31 | Balance c/d | | 10,280 | — |
| Total | | | 23,250 | 5,600 | Total | | | 23,250 | 5,600 |
| Aug 1 | Balance b/d | | 10280 | 0 | | | | | |

REVISION : TOPIC 3 BOOK OF PRIME ENTRY

1. Practice the Journal

Anna, a sole proprietor started her business on August 2026. The following were transactions occurred in August 2026.

| Date | Transaction |
|---------------|--|
| 2026 Aug 1 | Started business with event equipment worth RM8,000, cash RM6,500 and deposited cash into the company's bank account RM18,000. |
| Aug 2 | Purchased event decoration materials on credit RM5,200 from Creative Décor Sdn. Bhd. |
| Aug 5 | Purchased sound system from Audio Pro Enterprise RM12,000 on credit. |
| Aug 6 | Issued invoice to Alpha Corporation RM4,800 for corporate seminar services. |
| Aug 7 | Received credit note from Creative Décor Sdn. Bhd. RM360 for returned damaged materials. |
| Aug 9 | Purchased event merchandise on credit RM2,150 from Danny Supplies. |
| Aug 11 | Sold event tickets on credit RM6,400 to Munir Enterprise. |
| Aug 13 | Sold exhibition booth services on credit RM3,200 to Simon Trading. |
| Aug 15 | Returned damaged merchandise to Danny Supplies RM210. |
| Aug 18 | Purchased event lighting equipment on credit RM7,500 from Bright Light Co. |
| Aug 20 | Munir Enterprise returned damaged tickets RM480. |
| Aug 22 | Sold event consultation services on credit RM1,800 to Simon Trading. |
| Aug 25 | Returned damaged lighting equipment to Bright Light Co. RM650. |

You are required to record the above transaction in the appropriate journals.

2. Practice the Journal

Record the following transaction in the appropriate journal.

| Date | Transaction |
|--------|---|
| Jan 1 | The balances of assets, liabilities and owner's equity were as follows: <ul style="list-style-type: none"> • Event Hall (Building) RM125,000 • Event Equipment RM24,700 • Cash RM33,865 • Bank RM17,663 • Trade Debtors RM21,540 |
| Jan 1 | Purchased an event truck from Tan Chong Motor on credit RM45,000. |
| Jan 4 | Credit sales of event coordination services to Abu Bakar Enterprise RM1,245. |
| Jan 6 | Owner brought in her personal car worth RM12,000 for business use. |
| Jan 9 | Sold event equipment to Dubai Machinery worth RM11,200 on credit. |
| Jan 11 | Received invoice for office furniture purchased RM2,100 from Baba Enterprise. |
| Jan 14 | Bought additional event materials on credit RM4,500 from Mama Sdn. Bhd. |
| Jan 16 | Owner took a computer for personal use worth RM1,200. |
| Jan 18 | Purchased event supplies on credit from Bunga Tanjung Sdn. Bhd. RM7,600 less trade discount 10%. |

3. Practice the Journal

The following are the transaction from Stellar Event Management in March 2026. You are required to record transactions given above into the appropriate journals.

| Date | Transaction |
|---------------|--|
| 2026 Mar 1 | Amir, the owner of Stellar Event Management, contributed cash RM40,000 as capital. |
| Mar 2 | Purchased event decoration materials on credit RM3,800 from GlamD cor Sdn. Bhd. |
| Mar 3 | Paid transportation charges RM200 by cash for decoration materials purchased from Glam D cor Sdn. Bhd. |
| Mar 5 | Sold event management services on credit to Mega Corporation RM5,500 and Bright Vision Enterprise RM1,200. |
| Mar 8 | Issued a credit note RM450 to Mega Corporation due to overcharging of event services. |

4. Practice the Journal

You are required to record transactions given above into the appropriate journals.

| Date | Transaction |
|----------------|---|
| 2026 July 1 | Started business with office furniture RM3,000, cash RM6,000 and deposit cheque into company's bank RM30,000. |
| July 2 | Purchased event decoration materials on credit RM6,500 from ElglantD cor Berhad. |
| July 5 | Purchased air-conditioning system RM28,000 on credit from CoolTech Electrical for office use. |
| July 6 | Sent invoice to Salmah Enterprise RM4,200 for event coordination services provided. |
| July 7 | Received credit note RM520 from Elegant D cor Berhad. |
| July 9 | Purchased event supplies RM1,750 on credit from Danny Event Supplies. |
| July 13 | Sold event management services on credit RM3,500 to Simon Holdings. |
| July 15 | Returned damaged event supplies RM250 to Danny Event Supplies. |
| July 18 | Purchased event materials on credit RM5,800 from Sunny Sue Enterprise. |

5. Practice the Cash Book

From the following particulars, record them into Three Column Cash Book

| Date | Transaction |
|-------------|---|
| Apr 1 | Cash in hand balance RM500. Cash at bank RM22,000. |
| Apr 2 | Issued cheque RM1,200 for office equipment purchased. |
| Apr 3 | Purchased stationery RM180 cash for office use. |
| Apr 5 | Paid cheque RM950 to SoundMax Enterprise and received cash discount RM50. |
| Apr 7 | Took RM300 cash for personal use. |
| Apr 9 | Cash received from ticket sales RM1,450 was banked. |
| Apr 12 | Paid supplier by cheque RM2,800 for event decoration materials. |
| Apr 14 | Received cheque RM1,200 from Bright Vision Sdn. Bhd. and allowed discount RM100. |
| Apr 16 | Paid RM120 cash for repairing stage lighting equipment. |
| Apr 18 | Client paid RM2,500 cash for event management services and received discount RM150. |
| Apr 22 | Paid general expenses RM260 cash. |
| Apr 23 | Issued cheque RM1,800 to Audio Pro Sdn. Bhd. and received discount RM120. |
| Apr 26 | Cash sales from merchandise RM900. |
| Apr 30 | Paid office rental RM1,000 by cash. |

REVIEW
BUDGET



Topic 4 : Ledger



- 4.1 Construct a ledger
 - 4.1.1 Double-entry concept
 - 4.1.2 Rules for recording assets, liabilities, owner's equity, revenue and expenses
 - 4.1.3 Transactions according to the double-entry system
 - 4.1.4 Balance off the account



Topic 4: Ledger



Introduction

A ledger is a book or digital record that contains all the accounts of a business, where all financial transactions are summarised after being recorded in journals.



Double Entry Concept of Ledger

The double-entry system is a fundamental principle in accounting where every transaction affects at least two accounts:

- One account is debited (Dr)
- One account is credited (Cr)



Ledger Accounts - 5 Main Categories (Points)

1. Assets / Aset – Resources owned by the business (e.g., Cash, Equipment).
2. Liabilities / Liabiliti – Obligations owed to others (e.g., Accounts Payable, Bank Loan).
3. Owner's Equity / Modal Pemilik – Owner's investment and retained earnings (e.g., Capital, Drawings).
4. Revenue / Pendapatan – Income earned from business operations (c.g., Sales, Service Income).
5. Expenses / Perbelanjaan – Costs incurred to earn revenue (c.g., Rent, Salaries, Utilities).



Rules for recording assets, liabilities, owner's, equity, revenue and expenses



What is Asset?



1. An asset is anything owned or controlled by a business that has value and can provide future economic benefits.
2. It's something the business can use, sell, or convert into cash.
3. Assets are recorded in the ledger under asset accounts.

Example of Assets



1. Cash
2. Equipment
3. Buildings
4. Inventory
5. Accounts receivable (money owed by customers)

Fixed Asset



Definition: Long-term tangible assets used in the business to generate income and not intended for sale.

Characteristics:

- Lasts more than 1 year
- Physical in nature
- Depreciated over time
- **Examples:** Buildings, Equipment, Vehicles, Event Halls, Land, Fixture and fitting

Current Asset

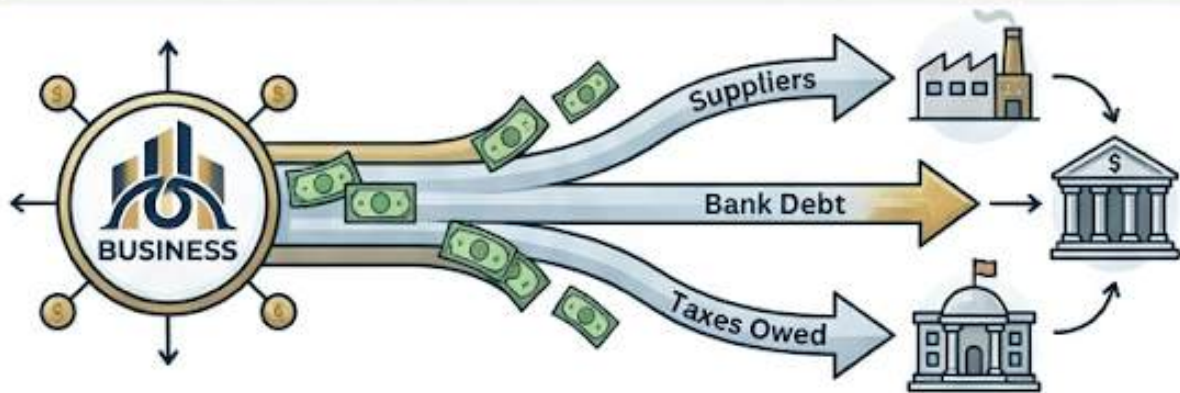


Definition: Short-term assets expected to be converted into cash, sold, or used within 12 months.

Characteristics:

- Easily liquidated
- Used for day-to-day operations
- **Examples:** Cash, Accounts Receivable, Inventory, Prepaid Expenses, Debtors

Rules for recording assets, liabilities, owner's, equity, revenue and expenses



Liabilities

- A liability is an obligation of a business to pay money or settle a debt to another party as a result of past transactions or events.
- It is something the business owes to others. Usually settled by paying cash, providing goods, or services. Recorded in the liabilities section of the ledger.

Example of liabilities



- Accounts Payable (money owed to suppliers)



- Bank Loans



- Taxes Payable



- Wages Payable

Long term liabilities



Debts must be paid off more than one year into the future. Example cash, debentures and mortgage, Bank Loans (over 1 year), Bonds Payable.



Current liabilities

Debts that must be paid off within one year. Example creditors, Bank overdraft and accrued expenses.

Rules for recording assets, liabilities, owner's equity, revenue and expenses

ACCOUNTING

GENERAL REVENUE TRIAL BALANCE LIQUIDITY NET PROFIT CREDIT ASSETS ACCRUALS CASH FLOW GAIN



Owner's Equity (Capital Account)

Owner's equity represents the residual interest of the owner in the assets of a business after deducting all liabilities. It shows how much of the business belongs to the owner.

Example of Owner's Equity

- Capital – Cash or assets brought into the business by the owner.
- Drawings – Cash, goods assets taken by the owner for personal use. Reduction of owner equity.



Revenues

Revenue is the income earned by a business from its normal operating activities during an accounting period. Examples of revenue:

- Sales revenue
- Service Income
- Ticket sales (event management context)
- Rental income



Expenses

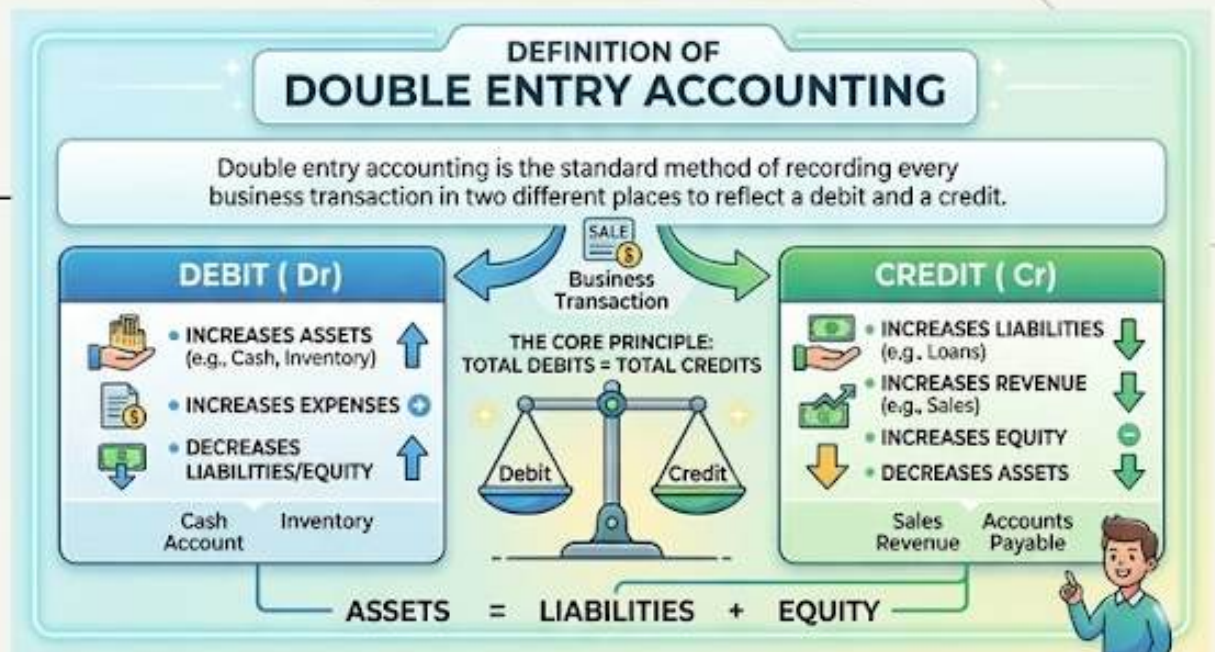
Expenses are the costs incurred by a business to generate revenue and operate its daily activities during an accounting period. Examples of expenses:

- Salaries and wages
- Rent
- Utilities
- Advertising
- Event supplies

DOUBLE ENTRY PRINCIPLES



What is Double Entry Principles



EXAMPLE OF DOUBLE ENTRY

In accounting terms:

- One account is debited (Dr)
- One account is credited (Cr)

The total debit amount must always equal the total credit amount.



NORMAL BALANCE OF ACCOUNT TYPES

| Account Type | Debit | Credit |
|--------------|-------|--------|
| Assets | ✓ | |
| Expenses | ✓ | |
| Drawings | ✓ | |
| Liabilities | | ✓ |
| Capital | | ✓ |
| Revenue | | ✓ |

TRANSACTIONS & THE DOUBLE ENTRY PRINCIPLES: A STUDENT'S GUIDE

Rule: Increase in Asset/Expense -> DEBIT | Increase in Liability/Capital/Revenue -> CREDIT

a) Cash Inflows

| Transactions | Account Debited | Account Credited |
|-----------------------|-----------------|------------------------------------|
| Cash received/Cash in | Cash/Bank | Sales/Debtors/ Revenues/Capital |

b) Cash Outflows

| Transactions | Account Debited | Account Credited |
|--------------------|---|------------------|
| Cash paid/Cash out | Purchase Creditors Expenses Assets | Cash/Bank |

c) Purchase : Purchase of goods

| Transactions | Account Debited | Account Credited |
|---------------------|-----------------|------------------|
| i) Cash purchase | Purchase | Cash/Bank |
| ii) Credit purchase | Purchase | Creditors |

d) Sales : Selling of goods

| Transactions | Account Debited | Account Credited |
|------------------|-----------------|------------------|
| i) Cash sales | Cash/Bank | Sales |
| ii) Credit sales | Debtors | Sales |

e) Return inwards / Sales return

| Transactions | Account Debited | Account Credited |
|--------------|-----------------|------------------|
| | Return inwards | Debtors |

f) Return outwards / Purchase return

| Transactions | Account Debited | Account Credited |
|--------------|-----------------|------------------|
| | Creditors | Return outwards |

g) Assets : Business resources

| Transactions | Account Debited | Account Credited |
|---------------------------------|-----------------|------------------|
| i) Purchase of assets - cash | Assets | Cash/ Bank |
| -credit | Assets | Creditor |
| ii) Sales of used assets - cash | Cash /Bank | Assets |
| -credit | Debtors | Assets |

h) Capital : Resources brought into the business

| Transactions | Account Debited | Account Credited |
|--------------|-----------------|------------------|
| i) Cash | Cash | Capital |
| ii) Bank | Bank | Capital |
| iii) Assets | Assets | Capital |

i) Drawings

| Transactions | Account Debited | Account Credited |
|--------------|-----------------|-------------------------------|
| | Drawing | Cash/Bank/ Purchase/Assets |

j) Payment of expenses

| Transactions | Account Debited | Account Credited |
|--------------|-----------------|------------------|
| | Expenses | Cash/Bank |

k) Receipt of Revenues

| Transactions | Account Debited | Account Credited |
|-----------------------------|-----------------|--------------------|
| i) Cash received from sales | Cash/Bank | Sales |
| ii) Bank interest received | Cash/Bank | Revenue/Interest |
| iii) Commission received | Cash/Bank | Revenue/Commission |
| iv) Rent received | Cash/Bank | Revenue/Rent |

k) Receipt of revenues

| Transactions | Account Debited | Account Credited |
|-------------------------------|-----------------|-------------------|
| i) Purchase goods on credit | Purchase | Creditors |
| ii) Return goods to creditor | Creditors | Return outwards |
| iii) Discount received | Creditors | Discount received |
| iv) Payment made to creditors | Creditors | Cash / Bank |

m) Creditors

| Transactions | Account Debited | Account Credited |
|-------------------------------|-----------------|-------------------|
| i) Purchase goods on credit | Purchase | Creditors |
| ii) Return goods to creditor | Creditors | Return outwards |
| iii) Discount received | Creditors | Discount received |
| iv) Payment made to creditors | Creditors | Cash / Bank |

n) Liabilities

| Transactions | Account Debited | Account Credited |
|-----------------------------|-----------------|------------------|
| i) Bank loan | Cash / Bank | Loan |
| ii) Approved bank overdraft | - | - |

Ledger



Definition of Ledger

Ledger is the principal book of accounts in accounting where all business transactions are classified and recorded under individual accounts.

Ledger format

| DR | | Title of an Account | | | | CR | |
|------|-------------|---------------------|--------------|------|-------------|-----|--------------|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM |
| | | | | | | | |
| | | | | | | | |

| DR | Title of an Account | CR |
|----|---------------------|----|
| | | |

Example

| Date | Particulars | RM |
|-----------------|-----------------------------------|------|
| 2026 July 20 | Abu purchase a computer with cash | 5000 |

The journal entry to record this transaction is:

| Date | Particulars | Fol | Debit | Credit |
|-----------------|---------------------|-----|-------|--------|
| 2026 July 20 | DR Office Equipment | | 5000 | |
| | CR Cash | | | 5000 |

DR

Office Equipment Account

CR

| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM |
|-----------------|-------------|-----|--------------|------|-------------|-----|--------------|
| 2026 July 20 | Cash | | 5000 | | | | |

DR

Cash Account

CR

| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM |
|------|-------------|-----|--------------|-----------------|---------------------|-----|--------------|
| | | | | 2026 July 20 | Office Equipment | | 5000 |

Example

| Date | Particulars | RM |
|----------------|-------------------------------------|------|
| 2026 Aug 20 | Paid maintenance expenses with cash | 1200 |
| 25 | Paid staff salary by cheque | 1800 |

The journal entry to record this transaction is:

| Date | Particulars | Fol | Debit | Credit |
|-----------------|-------------------------|-----|-------|--------|
| 2026 Sept 15 | DR Maintenance Expenses | | 1200 | |
| | CR Cash | | | 1200 |
| 25 | DR Salary | | 1800 | |
| | CR Bank | | | 1800 |

DR **CR**

Maintenance Expenses Acc

| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM |
|-----------------|-------------|-----|-----------|------|-------------|-----|-----------|
| 2026 Sept 15 | Cash | | 1200 | | | | |

DR **CR**

Cash Acc

| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM |
|------|-------------|-----|-----------|-----------------|----------------------|-----|-----------|
| | | | | 2026 Sept 15 | Maintenance Expenses | | 1200 |

DR **CR**

Salary Acc

| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM |
|-----------------|-------------|-----|-----------|------|-------------|-----|-----------|
| 2026 Sept 25 | Bank | | 1800 | | | | |

DR **CR**

Bank Account

| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM |
|------|-------------|-----|-----------|-----------------|-------------|-----|-----------|
| | | | | 2026 Sept 25 | Salary | | 1800 |

Example



Transaction below are taken from **Maju Trading** for the month of **January 2026**



| Date | Particulars |
|------------|---|
| 2026 Jan 1 | Starting a business with cash RM 500 000 |
| 2 | Purchased goods on credit from Suria Sdn Bhd RM 35000 |
| 5 | Purchased a furniture RM 5000 with cash |
| 8 | Paid maintenance expenses RM 1500 with cash |
| 12 | Paid Suria Sdn Bhd with cash amounting RM 34200 |
| 18 | Cash sales RM 32000 |
| 20 | Sold goods to Adrian on credit RM 28000 |
| 25 | Paid salary RM 10 200 with cash |
| 28 | Received cash from Adrian RM 20 000 |
| 30 | Paid rental expenses RM 1200 with cash |

\$ € Answer scheme \$ \$

| DR | | | | Cash Account | | | | CR | | | |
|------------|--------------------|-----|----------------|--------------|---------------|-----|----------------|----|--|--|--|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | | | | |
| 2026 Jan 1 | Capital | | 500000 | 2026 Jan 5 | Furniture | | 5000 | | | | |
| 18 | Sales | | 32000 | 8 | Maintenance | | 1500 | | | | |
| 28 | Adrian | | 20000 | 12 | Suria Sdn Bhd | | 34200 | | | | |
| | | | | 25 | Salary | | 10 200 | | | | |
| | | | | 30 | Rental | | 1200 | | | | |
| | | | | 31 | Balance c/d | | 499 900 | | | | |
| | | | 552 000 | | | | 552 000 | | | | |
| 2026 Feb 1 | Balance b/d | | 499 900 | | | | | | | | |

| DR | | | | Salary Account | | | | CR | | | |
|-------------|-------------|-----|-----------|----------------|-------------|-----|-----------|----|--|--|--|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | | | | |
| 2026 Jan 25 | Cash | | 10200 | 2026 Jan 31 | Balance c/d | | 10200 | | | | |
| | Balance c/d | | 10200 | | | | 10200 | | | | |
| 2026 Feb 1 | Balance b/d | | 10200 | | | | | | | | |

Example

| DR | | | | Capital Account | | | | CR |
|------------|-------------|-----|-----------|-----------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 1 | Balance c/d | | 500 000 | 2026 Jan 1 | Cash | | 500 000 | |
| | | | 500 000 | | | | 500000 | |
| | | | | 2026 Feb 1 | Balance b/d | | 500000 | |

| DR | | | | Sales Account | | | | CR |
|------------|-------------|-----|-----------|---------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 2 | Balance c/d | | 60000 | 2026 Jan 18 | Cash | | 32 000 | |
| | | | | 20 | Adrian | | 28 000 | |
| | | | 60 000 | | | | 60 000 | |
| | | | | 2026 Feb 1 | Balance b/d | | 60000 | |

| DR | | | | Furniture Account | | | | CR |
|------------|-------------|-----|-----------|-------------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 5 | Cash | | 5000 | 2026 Jan 31 | Balance c/d | | 5000 | |
| | | | 5000 | | | | 5000 | |
| 2026 Feb 1 | Balance b/d | | 5000 | | | | | |

| DR | | | | Maintenance Account | | | | CR |
|------------|-------------|-----|-----------|---------------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 8 | Cash | | 1500 | 2026 Jan 31 | Balance c/d | | 1500 | |
| | | | 1500 | | | | 1500 | |
| 2026 Feb 1 | Balance b/d | | 1500 | | | | | |

GENERAL LEDGER ACCOUNTS - A4 PORTRAIT REDESIGN

| DR | | | | Creditor Suria Sdn Bhd Account | | | | CR |
|-------------|-------------|-----|-----------|--------------------------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 12 | Cash | | 34200 | 2026 Jan 2 | Purchase | | 35000 | |
| 31 | Balance c/d | | 800 | | | | | |
| | | | 35000 | | | | 35000 | |
| | | | | 2026 Feb 1 | Balance b/d | | 800 | |

| DR | | | | Purchase Account | | | | CR |
|------------|---------------|-----|-----------|------------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 2 | Suria Sdn Bhd | | 35000 | 2026 Jan 31 | Balance c/d | | 35000 | |
| | | | 35000 | | | | 35000 | |
| 2026 Feb 1 | Balance b/d | | 35000 | | | | | |

| DR | | | | Salary Account | | | | CR |
|-------------|-------------|-----|-----------|----------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 25 | Cash | | 10200 | 2026 Jan 31 | Balance c/d | | 10200 | |
| | | | 10200 | | | | 10200 | |
| 2026 Feb 1 | Balance b/d | | 10200 | | | | | |

| DR | | | | Rental Account | | | | CR |
|-------------|-------------|-----|-----------|----------------|-------------|-----|-----------|----|
| Date | Particulars | Fol | Amount RM | Date | Particulars | Fol | Amount RM | |
| 2026 Jan 30 | Cash | | 1200 | 2026 Jan 31 | Balance c/d | | 1200 | |
| | | | 1200 | | | | 1200 | |
| 2026 Feb 1 | Balance b/d | | 1200 | | | | | |

REVISION : TOPIC 4 LEDGER

Practice Ledger

The following transactions taken from the accounting book of Suria Event Management Company. You are required to prepare ledger

| Date | Transaction |
|-----------------|--|
| July, 2019 1 | Opening balances: Cash RM620 Bank RM1,080 Debtors – Ameena RM970 Creditors – Zarul RM840 |
| 5 | Sold goods on credit to Ameena RM590. |
| 10 | Paid to Zarul RM500 by cheque. |
| 13 | Received cheque from Ameena RM790, to settle the debts of RM800. |
| 15 | Paid salaries by cheque RM300. |
| 21 | Purchase furniture RM 1,970 on credit from Elite Event Company |
| 26 | Purchase goods on credit from Zarul worth RM930. |
| 27 | Returns goods damaged in transit to Zarul worth RM80. |
| 28 | Cash sales RM350. |
| 29 | Paid utility bills by cash RM87. |

Practice Ledger

The following transactions taken from the accounting book of Anggun Event Management. You are required to prepare ledger

| Date | Transaction |
|-----------|--|
| January 2 | Dahlia brought in cash RM20,000 and shop equipment of RM8,000 for starting a business. |
| 4 | Paid sundry expenses with cash RM60. |
| 13 | Cash purchase RM280. |
| 16 | Paid personal insurance premium with cash RM380. |
| 30 | Paid salaries employee RM360 with cash. |

REVISION : TOPIC 4 LEDGER

Practice Ledger

The following transactions taken from the accounting book of Event Management Company. You are required to prepare ledger

| Date | Date |
|-----------|---|
| January 1 | Started business with RM5,000 cash. |
| 3 | Bought goods by cash RM80. |
| 7 | Bought goods on credit from Bakar RM200. |
| 8 | Sold goods by cash amount RM300. |
| 10 | Returned goods to Bakar RM70. |
| 13 | Paid insurance by cash RM100. |
| 17 | Paid Borhan by cash RM100. |
| 19 | Bought office furniture on credit from Ah Long RM350. |
| 20 | Sold goods on credit to Fazura RM150. |
| 25 | Paid salary by cash RM250. |

Practice Ledger

You are required to prepare ledger.

| Date | Transactions |
|-----------|---|
| January 1 | Jamilah started the business with RM50,000 cash. |
| 10 | Paid RM600 cash for shop rental and deposited additional RM30,000 cash into bank. |
| 13 | Purchase office equipment worth RM10,000 by cash for business. |
| 15 | Purchase goods with cash RM700. |
| 21 | Credit purchase from Abu RM20,000. |
| 26 | Sold RM3,000 worth of goods on credit to Jamal |
| 28 | Paid Abu RM10,000 by cheque. Discount received 3%. |
| 29 | Purchased motor vehicles worth RM10,000. Paid by cheque. |
| 30 | Paid RM250 cash for water and electricity bills. |

REVISION : TOPIC 4 LEDGER

Practice Ledger

The following transactions taken from the accounting book of Event Management Company. You are required to prepare ledger

| Date | Date |
|--------|---|
| June 1 | The owner brought in the following assets as a capital of the business. · Cash RM20,000 · Motor Vehicles RM8,000 · Purchases RM1,800 |
| 2 | Purchased goods on credit from Syarikat Mada RM9,500. |
| 4 | Sold goods by cash RM7,600. |
| 6 | Paid insurance premium cash RM600. |
| 9 | Sold goods on credit tu Hazami RM1,900. |
| 10 | The owner withdrew cash for personal use RM500. |
| 14 | Paid Syarikat Mada RM4750. |
| 15 | Paid general expenses RM150 by cash. |
| 18 | The owner withdraws cash RM2,500. |
| 20 | Received cash RM950 from Hazami after deducting discount of RM50. |
| 27 | Purchased goods by cash RM2,800. |
| 29 | Sold goods on credit to Rozana RM9,600. |
| 30 | Paid salary by cash RM1,000. |



Topic 5 : Trial Balance






- 5.1 Construct a Trial Balance
 - 5.1.1 Purpose of preparing a Trial Balance
 - 5.1.2 Items recorded in a Trial Balance
 - 5.1.3 Posting balances from the ledger to the Trial Balance







INTRODUCTION OF TRIAL BALANCE



DEFINITION






-  A Trial Balance is a statement prepared based on account balances in the ledgers at the end of an accounting period.
-  All accounts with debit balances will be listed in the debit side, while accounts with credit balances will be listed in the credit side.
-  The total debit amount must be equal to the total credit amount. If the amounts are not balanced, this means that errors or mistakes occurred when entries were made into the accounts, and further checking must be done.

PURPOSE OF PREPARING TRIAL BALANCE

-  a. Check the accuracy of calculations
-  b. Verify the accuracy of double entries
-  c. Verify the accuracy of postings from the journal entry to ledgers
-  d. Prepare financial statements

Preparation of Trial Balance: The normal balance for assets, liabilities, owner's equity (capital), expenses and revenues are shown in this table below.

Table 5.1: Account types and normal balances

| Types of Accounts | Column (Trial Balance) | |
|---------------------------|---|---|
| | Debit | Credit |
| Assets |  | |
| Expenses |  | |
| Owner's equity (Capital), | |  |
| Liabilities | |  |
| Revenues | |  |



Format Trial Balance



- A Trial Balance is a statement prepared based on account balances in the ledgers at the end of an accounting period.



- All accounts with debit balances will be listed in the debit side, while account with credit balance will be listed in the credit side.



- The total debit amount must be equal to the total credit amount. If the amounts are not balanced, this means that errors or mistakes occurred when entries were made into the accounts, and further checking must be done.

Example 1: Amanda Event Management

Amanda Event Management

Trial Balance as at 31 December 2026

| Account | Debit (RM) | Credit (RM) |
|---------|------------|-------------|
| | | |
| | | |

Table 5.2: Format of Trial Balance

Example 2: Farish Bhd

Farish Bhd

Trial Balance as at 31 December 2026

| Account | Debit (RM) | Credit (RM) |
|-----------|------------|-------------|
| Cash | 10 750 | |
| Equipment | 10 000 | |
| Drawing | 750 | |
| Creditors | | 1 500 |
| Capital | | 20 000 |
| | 21 500 | 21 500 |



EXAMPLE 5-3

Ledger account balances taken from Elite Event Management
during January 2026

| DR | | | | CASH ACCOUNT | | | | CR | | | |
|---------------|-------------|-----|----------------|---------------|---------------|-----|----------------|----|--|--|--|
| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) | | | | |
| 2026 Jan 1 | Capital | | 200 000 | 2026 Jan 5 | Equipment | | 5 000 | | | | |
| 18 | Sales | | 32 000 | 8 | Maintenance | | 1 400 | | | | |
| 28 | Arman | | 20 000 | 12 | Ceria Sdn Bhd | | 34 200 | | | | |
| | | | | 25 | Salary | | 10 200 | | | | |
| | | | | 30 | Rental | | 1 200 | | | | |
| | | | | 31 | Balance c/d | | 200 000 | | | | |
| | | | 252 000 | | | | 252 000 | | | | |
| 2017 Feb 1 | Balance b/d | | 200 000 | | | | | | | | |

| DR | | | | CAPITAL ACCOUNT | | | | CR | | | |
|---------------|-------------|-----|----------------|-----------------|-------------|-----|----------------|----|--|--|--|
| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) | | | | |
| 2026 Jan 1 | Balance c/d | | 200 000 | 2026 Jan 1 | Cash | | 200 000 | | | | |
| | | | | | | | | | | | |
| | | | 200 000 | | | | 200 000 | | | | |
| | | | | 2026 Feb 1 | Balance b/d | | 200 000 | | | | |

| DR | | SALES ACCOUNT | | | | | | CR |
|---------------|--------------------|---------------|---------------|------------------------|-------------------|-----|---------------|----|
| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) | |
| 2026 Jan 1 | Balance c/d | | 60 000 | 2026 Jan 18 2020 | Cash | | 32 000 | |
| | | | | | Arman | | 28 000 | |
| | Total (RM) | | 60 000 | | Total (RM) | | 60 000 | |
| | | | | 2026 Feb 1 | Bal b/d | | 60 000 | |

| DEBTOR – ARMAN ACCOUNT | | | | | | | |
|------------------------|-------------------|-----|---------------|----------------|--------------------|-----|---------------|
| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) |
| 2026 Jan 20 | Sales | | 28 000 | 2026 Jan 28 | Cash | | 20 000 |
| | | | | 2026 Jan 31 | Balance c/d | | 8 000 |
| | Total (RM) | | 28 000 | | Total (RM) | | 28 000 |
| 2026 Feb 1 | Bal b/d | | 8 000 | | | | |

| DR | | EQUIPMENT ACCOUNT | | | | | | CR |
|-----------------------|--------------------|-------------------|--------------|----------------|-------------|-----|--------------|----|
| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) | |
| 2026 Jan 5 | Cash | | 5 000 | 2026 Jan 31 | Balance c/d | | 5 000 | |
| | | | 5 000 | | | | 5 000 | |
| 2026 Feb 1 | Balance b/d | | 5 000 | | | | | |



DR



MAINTENANCE ACCOUNT

CR

| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) |
|---------------|-------------|-----|-------------|-------------|-------------|-----|-------------|
| 2026 Jan 8 | Cash | | 1 400 | 2026 Jan | Balance c/d | | 1 400 |
| | | | 1 400 | | | | 1 400 |
| 2026 Feb 1 | Balance b/d | | 1 400 | | | | |

DR



CREDITOR - CERIA SDN BHD ACCOUNT

CR

| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) |
|----------------|-------------|-----|-------------|---------------|-------------|-----|-------------|
| 2026 Jan 12 | Cash | | 34 200 | 2026 Jan 2 | Purchase | | 35 000 |
| 31 | Balance c/d | | 800 | | | | 35 000 |
| | | | 35 000 | | | | 35 000 |
| | | | | 2026 Feb 1 | Balance b/d | | 800 |

DR



PURCHASE ACCOUNT

CR

| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) |
|---------------|---------------|-----|-------------|----------------|-------------|-----|-------------|
| 2026 Jan 2 | Ceria Sdn Bhd | | 35 000 | 2026 Jan 31 | Balance c/d | | 35 000 |
| | | | 35 000 | | | | 35 000 |
| 2026 Feb 1 | Balance b/d | | 35 000 | | | | |

ACCOUNTING PORTFOLIO: LEDGER ACCOUNTS & TRIAL BALANCE

| DR | | | | SALARY ACCOUNT | | | | CR | | | |
|-----------------------|--------------------|-----|---------------|----------------|----------------|-----|---------------|----|--|--|--|
| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) | | | | |
| 2026 Jan 25 | Cash | | 10 200 | 2026 Jan 31 | Balance c/d | | 10 200 | | | | |
| | | | 10 200 | | | | 10 200 | | | | |
| 2026 Feb 1 | Balance b/d | | 10 200 | | | | | | | | |

| DR | | | | RENTAL ACCOUNT | | | | CR | | | |
|-----------------------|--------------------|-----|--------------|----------------|----------------|-----|--------------|----|--|--|--|
| Date | Particulars | Fol | Amount (RM) | Date | Particulars | Fol | Amount (RM) | | | | |
| 2026 Jan 30 | Cash | | 1 200 | 2026 Jan 31 | Balance c/d | | 1 200 | | | | |
| | | | 1 200 | | | | 1 200 | | | | |
| 2026 Feb 1 | Balance b/d | | 1 200 | | | | | | | | |

| Account | Debit (RM) | Credit (RM) |
|---------------------------|----------------|----------------|
| Cash | 200 000 | |
| Equipment | 5 000 | |
| Debtors- Arman | 8 000 | |
| Purchase | 35 000 | |
| Maintenance | 1 400 | |
| Salary | 10 200 | |
| Rental | 1 200 | |
| Creditors - Ceria Sdn Bhd | | 800 |
| Capital | | 200 000 |
| Sales | | 60 000 |
| Total | 260 800 | 260 800 |

REVISION : TOPIC 5 TRIAL BALANCE

Practice the Trial Balance

The following are the account balance from Laguna Enterprise you are required to prepare trial balance as at 28 February 20x6.

| Account Name | Amount (RM) | Account Name | Amount (RM) |
|----------------------|-------------|-----------------------|-------------|
| Cash in hand | 6,000 | Furniture and fitting | 12,000 |
| Motorcars | 18,000 | Land and building | 300,000 |
| Sales | 200,000 | Creditor | 70,000 |
| Salaries expenses | 25,000 | Capital | ??? |
| Cash at bank | 20,000 | Machinery | 140,000 |
| Debtors | 40,000 | Purchases | 70,000 |
| Stock | 13,000 | Mortgage loan | 150,000 |
| General expenses | 600 | Advertising | 2,000 |
| Insurance | 1,800 | Drawings | 15,000 |
| Repairs to buildings | 1,500 | Bad debts | 800 |

REVISION : TOPIC 5 TRIAL BALANCE

Practice the Trial Balance

Prepare a Trial Balance with the following information.

| Account | Balance |
|-----------|---------|
| Capital | 200,000 |
| Cash | 180,000 |
| Creditor | 100,000 |
| Sales | 300,000 |
| Stock | 70,000 |
| Debtors | 300,000 |
| Bank loan | 150,000 |
| Purchases | 200,000 |



Topic 6: Financial Statement

6.1 Explain the purpose of Financial Statement

6.1.1 Components of Financial Statements in Malaysia Accounting Standard Board 1 (MASB 1)

6.2 Analyse the Statement of Comprehensive Income

6.2.1 Expenses in financial statements

6.2.2 Revenue in financial statements

6.2.3 Items recorded in Statement of Comprehensive Income

6.3 Analyse the Statement of Financial Position

6.3.1 Elements in the Statement of Financial Position

a. Assets

b. Liabilities

c. Owners Equity

6.3.2 Items recorded in the Statement of Financial Position





PURPOSE OF PREPARING FINANCIAL STATEMENT



PERFORMANCE TRENDS.

The purpose of preparing financial statements is to assess the organization's performance.



COMPONENTS OVERVIEW.

Figure 6.1 The main components of financial statements.



COMPREHENSIVE INCOME.

An income statement is a combination of Trading Account and Profit and Loss Account.

The final accounts include the statement of comprehensive income, also known as the trading and profit and loss account or income statement, as well as the statement of financial position, generally known as the balance sheet.



REQUIRED STATEMENTS.

Financial statements comprise income statements, statements of changes in owner's equity, statement of financial position and cash flows statements.



- Profit /loss chart.



- Compass with an ownership key.



- Bagsnet of financial position.



- Cash flow arrow stream.

BUSINESS LIFECYCLE.

Financial statements are prepared at the end of an accounting year.

The information stated in financial statements shows all the final financial belonging and liabilities of a business.



OPERATIONAL ANALYSIS.

Besides that, it also shows the expenses incurred during the business operations, along with the income owned by the business within the accounting period. Thereafter, we can find out the financial position of the business, whether it is making any profits or losses.



USER INFORMATION



RUMUSAN

The purpose of preparing financial statements is to give information on the financial performance of the business to internal and external users



INTERNAL USERS
(MANAGEMENT, EMPLOYEES)



EXTERNAL USERS
(INVESTORS, CREDITORS, REGULATORS)

STATEMENT OF COMPREHENSIVE INCOME



1. After trial balance is prepared, all the balances from the nominal account (revenue and expense) account are transferred to the final account.



TRADING ACCOUNT

2. All revenues and expenses regarded to the manufacturing activities are recorded in a Trading account for the purpose of to find out the gross profit or gross loss.



P&L ACCOUNT

3. Other revenues and expenses for the operating of the business are recorded in the profit or loss account to find out the net profit or net loss.

4. The combination of both trading accounts and profit or loss account will then create the statement of comprehensive income (SOCI).



The formula to calculate gross profit or gross loss are as follows:

$$\uparrow \text{Gross Profit / Loss} = \text{Net sales} - \text{Cost of sales} \downarrow$$

- i. If Net sales > Cost of sales = Gross Profit
- ii. If Net sales < Cost of sales = Gross Loss

$$\text{Costs of sales} = \text{Cost of goods available for sale} - \text{Closing Inventory}$$

$$\text{Costs of goods available for sale} = \text{Purchase cost} + \text{Opening Inventory}$$

$$\text{Purchase costs} = \text{Net purchases} + \text{Purchases expenses}$$

$$\text{Net purchases} = \text{Purchases} - \text{Purchases returns (return outwards)}$$

$$\text{Net sales} = \text{Sales} - \text{Sales returns (return inwards)}$$

Trading account in statement format:

| Company Name's | | | |
|--|------|---------|------|
| Trading Account for the year ending 30 June 2026 | | | |
| | RM | RM | RM |
| Sales | | XXXXX | |
| (-) Return inwards | | (x) | |
| Net Sales | | | XXXX |
| | | | |
| Less: Cost of goods sold | | | |
| Opening inventory | | X | |
| Purchases | XX | | |
| (-) Return outwards | (oo) | | |
| Net purchases | | X | |
| | | | |
| Add: Purchase Expenses | | | |
| Wages on purchase | X | | |
| Import duties | X | | |
| Insurance on purchase | X | | |
| Carriage inwards / Freight inwards | X | XXXXX | |
| Costs of goods available for sale | | XXXXXX | |
| (-) Closing inventory | | (xxxxx) | |
| Less: Costs of sale | | | (xx) |
| Gross profit | | | XX |

Example:

Trading account in statement format:

| Suria Enterprise | | | |
|---|-----------|-----------|---------------|
| Trading Account for the year ending 31 December 2026 | | | |
| | RM | RM | RM |
| Sales | | 55 600 | |
| (-) Return inwards | | (1 200) | |
| Net sales | | | 54 400 |
| Less: Cost of goods sold | | | |
| Opening inventory | | 8 500 | |
| Purchase | 22 300 | | |
| (-) Return outwards | (1 600) | | |
| Net purchases | | 20 700 | |
| Add: Purchase Expenses | | | |
| Wages on purchase | 2,000 | | |
| Import duties | 1 800 | | |
| Insurance on purchases | 1 900 | | |
| Freight inwards / Carriage inwards | 900 | 6 600 | |
| Cost of goods available for sale | | 35 800 | |
| (-) Closing inventory | | (10 200) | |
| Less: Cost of sales | | | (25 600) |
| Gross profit | | | 28 800 |

Example:

Profit and Loss Account in statement format:

| Company Name's | | | | | | | |
|--|--|--|--|--|----|-----|---------------|
| Profit and Loss Statement for the year ending 30 June 2026 | | | | | | | |
| | | | | | RM | RM | RM |
| Gross Profit | | | | | | | XXXXXXXX X |
| Add: Revenue | | | | | | | |
| Discount received | | | | | XX | | |
| Interest received | | | | | XX | | |
| Commission received | | | | | XX | | |
| Rent received | | | | | XX | | |
| Total revenue | | | | | | | XXXX |
| | | | | | | | 12X |
| Less: Operating expenses | | | | | | | |
| Rental | | | | | | (x) | |
| Salary | | | | | | (x) | |
| Freight outwards / Carriage outwards | | | | | | (x) | |
| Assessment rate | | | | | | (x) | |
| Discount allowed | | | | | | (x) | |
| Advertising | | | | | | (x) | |
| Insurances | | | | | | (x) | |
| Utility expenses | | | | | | (x) | |
| Sundry expenses | | | | | | (x) | |
| General expenses | | | | | | (x) | |
| Total expenses | | | | | | | 10X |
| Net profit | | | | | | | XX |

Example:
Profit and Loss Account in statement format:

| Suria Enterprise | | | |
|--|-------|-------|---------------|
| Profit and Loss Statement for the year ending 31 December 2026 | | | |
| Particulars | RM | RM | RM |
| Gross Profit | | | 28 800 |
| Add: Revenue | | | |
| Discount received | 2 300 | | |
| Interest received | 1 000 | | |
| Commission received | 1 050 | | |
| Rent received | 950 | | |
| Total revenue | | | 5 300 |
| | | | 34 100 |
| Less: Operating expenses | | | |
| Rental | | 1 800 | |
| Salary | | 4 500 | |
| Freight outwards / Carriage outwards | | 1 200 | |
| Assessment rate | | 880 | |
| Discount allowed | | 1 100 | |
| Advertising | | 1 200 | |
| Insurances | | 6 000 | |
| Utility expenses | | 950 | |
| Sundry expenses | | 500 | |
| Provision for depreciation - Motor Vehicles | | 5 000 | |
| Total expenses | | | 23 140 |
| Net profit | | | 10 960 |

Example:

Income statement format:

| Suria Enterprise | | | |
|---|---------|---------------|---------------|
| Statement of Comprehensive Income for the year ended 31 December 2026 | | | |
| Particulars | RM | RM | RM |
| Sales | | | 55 600 |
| (-) Return inwards | | | (1 200) |
| Net sales | | | 54 400 |
| Less: Cost of goods sold | | | |
| Opening inventory | | 8 500 | |
| Purchase | 22 300 | | |
| (-) Return outwards | (1 600) | | |
| Net purchases | | 20 700 | |
| Add: Purchase Expenses | | | |
| Wages | 2 000 | | |
| Import duties | 1 800 | | |
| Insurance on purchases | 1 900 | | |
| Freight inwards / Carriage inwards | 900 | 6 600 | |
| Cost of goods available for sale | | 35 800 | |
| (x) Closing inventory | | (10 200) | |
| Less: Cost of sales | | | (25 600) |
| Gross profit | | | 28 800 |
| Add: Revenue | | | |
| Discount received | 2 300 | | |
| Interest received | 1 000 | | |
| Commission received | 1 050 | | |
| Rent received | 950 | | 5 300 |
| Total revenue | | | 34 100 |
| Less: Operating expenses | | | |
| Rental | | 1 800 | |
| Salary | | 4 500 | |
| Freight outwards / Carriage outwards | | 1 200 | |
| Assessment rate | | 890 | |
| Discount allowed | | 1 100 | |
| Advertising | | 1 200 | |
| Insurances | | 6 000 | |
| Utility expenses | | 950 | |
| Sundry expenses | | 500 | |
| Provision for depreciation – Motor Vehicles | | 5 000 | 23 140 |
| Net profit | | | 10 960 |

Example:

Balance Sheet in statement format:

| Company Name's Statement Of Financial Position as at 30 June 2026 | | | |
|--|-----------|------------|-------------|
| Particulars | RM | RM | RM |
| Non-current assets | | | |
| Land | | XX | |
| Premises | | XX | |
| Plant and machineries | | XX | |
| Motor vehicles | | XX | |
| Office equipment | | XX | |
| Fixtures and fittings | | XX | |
| Total non-current assets | | | 6XX |
| Current assets | | | |
| Inventory | | XX | |
| Debtors | | XX | |
| Prepayments | | XX | |
| Bank | | XX | |
| Cash | | XX | |
| Total current assets | | | 5XX |
| TOTAL ASSETS | | | 11XX |
| Owner's equity | | | |
| Capital | | XXXX | |
| Add: Net profit | | XX | |
| Sub-jumlah: | | 6XX | |
| Less: Drawings | | (XX) | |
| Total equity | | | 5XX |
| Non-current liabilities | | | |
| Mortgage | XX | | |
| Debentures | XX | | |
| Long-term provisions | XX | | |
| Total non-current liabilities | | 3XX | |
| Current liabilities | | | |
| Creditors | XX | | |
| Bank overdraft | XX | | |
| Accrued expenses | XX | | |
| Total current liabilities | | 3XX | |
| Total liabilities | | | 6XX |
| TOTAL EQUITY AND LIABILITIES | | | 11XX |

Example:

Balance Sheet in statement format:

| SURIA ENTERPRISE | | | |
|---|----------|----------------|----------------|
| STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2026 | | | |
| Particulars | RM | RM | RM |
| Non-current assets | | | |
| Land | | 100,000 | |
| Premises | | 50,000 | |
| Motor Vehicles | 40,000 | | |
| Less: Accumulated provision for depreciation | (20,000) | 20,000 | |
| Office equipment | | 10,000 | |
| Fixture and fittings | | 8,000 | |
| Total non-current assets | | | 198,000 |
| Current assets | | | |
| Inventory | | 10,200 | |
| Cash | | 9,000 | |
| Bank | | 12,000 | |
| Debtors | | 3,500 | |
| Prepaid insurance | | 500 | |
| Total current assets | | | 35,200 |
| Total assets | | | 233,200 |
| Owner's equity | | | |
| Capital | | 118,990 | |
| Add: Net profit | | 10,960 | |
| | | 129,950 | |
| Less: Drawings | | (2,500) | |
| Total equity | | | 127,450 |
| Non-current liabilities | | | |
| Loan | | 100,000 | |
| Total non-current liabilities | | 100,000 | |
| Current liabilities | | | |
| Creditors | 4,500 | | |
| Accrued utility | 50 | | |
| Bank overdraft | 1,200 | | |
| Total current liabilities | | 5,750 | |
| Total Liabilities | | | 105,750 |
| Total equity and liabilities | | | 233,200 |

Example:

Statement of Financial Position : T format

| Company Name's | | | | | |
|--|----|-------------|--------------------------------------|--------|-------------|
| Statement Of Financial Position as at 30 June 2026 | | | | | |
| Particulars | RM | RM | Particulars | RM | RM |
| Non-current assets | | | Non-current liabilities | | |
| Land | XX | | Mortgage | XX | |
| Premises | XX | | Debentures | XX | |
| Plant and machineries | XX | | Long-term provisions | XX | |
| Motor vehicles | XX | | Total Non-current liabilities | | 3XX |
| Office equipment | XX | | | | |
| Fixtures and fittings | XX | | Current liabilities | | |
| Total non-current assets | | 6XX | Creditors | XX | |
| | | | Bank overdraft | XX | |
| Current assets | | | Accrued expenses | XX | |
| Inventory | XX | | Total current liabilities | | 3XX |
| Debtors | XX | | Total liabilities | | 6XX |
| Prepayments | XX | | Owner's equity | | |
| Bank | XX | | Capital | XXXX | |
| Cash | XX | | Add: Net profit | XX | |
| Total current assets | | 5XX | untung bersih + modal | | 6XX |
| | | | Less: Drawings | ((XX)) | |
| | | | Total equity | | 5XX |
| TOTAL ASSETS | | 11XX | TOTAL EQUITY AND | | 11XX |

REVISION : TOPIC 6 FINANCIAL STATEMENT

Practice Financial Statement

The following financial information was extracted from the book of Gemilang Event Company as at 31 December 2026

| Gemilang Event Company Trial Balance as at 31 December 2026 | | |
|--|----------------|----------------|
| | Debit (RM) | Credit (RM) |
| Purchases | 52,000 | |
| Sales | | 96,800 |
| Return inwards | 260 | |
| Return outwards | | 380 |
| Drawing | 1,900 | |
| Debtors | 6,400 | |
| Creditors | | 5,550 |
| Vehicles (cost) | 48,800 | |
| Carriage outwards | 790 | |
| Rental received | | 6,000 |
| Provision for depreciation- Vehicles | | 4,880 |
| Stationery | 230 | |
| Office Equipment (cost) | 9,800 | |
| Stock as at 1st January 2018 | 12,200 | |
| Discount received | | 590 |
| Capital as at 1st January 2018 | | 131,780 |
| Bank | 28,600 | |
| Premise | 85,000 | |
| | 245,980 | 245,980 |

Note: Stock as at December 31st, 2026 was valued at RM10,800 (cost) and RM10,080 (market value).

You are required to prepare:

- a. Trading Account for the year ended 31 December 2026
- b. Profit & Loss Statement for the year ending 31 December 2026
- c. Statement of Financial Position as at 31 December 2026

REVISION : TOPIC 6 FINANCIAL STATEMENT

The following trial balance of Awesome Trading Ltd as at 31 December 2026.

| Awesome Trading Trial Balance as at 31 December 2026 | | |
|---|------------------|------------------|
| | Debit (RM) | Credit (RM) |
| Purchases and Sales | 250,500 | 400,500 |
| Returned inwards | 5,000 | |
| Opening inventory | 90,000 | |
| Salaries | 50,000 | |
| Rates payment | 4,000 | |
| Electricity expenses | 3,000 | |
| Premises | 500,000 | |
| Machineries | 80,000 | |
| Vehicles at cost | 60,000 | |
| Debtors and Creditors | 8,500 | 15,000 |
| Cash | 2,000 | |
| Bank | 21,000 | |
| Drawings | 7,000 | |
| Insurance | 6,000 | |
| Capital | | 671,500 |
| | 1,087,000 | 1,087,000 |

Stock as at 31 December 2026 was valued at RM 70,000

You are required to prepare:

- a. Trading Account for the year ended 30 December 2026
- b. Profit & Loss Statement for the year ending 30 December 2026
- c. Statement of Financial Position as at 30 December 2026

REVISION : TOPIC 6 FINANCIAL STATEMENT

The following are the information extracted from the book of Anggun Seri Event Management for the year ended 30 June 2026.

| Anggun Seri Event Management Trial Balance as at 30 June 2026 | | |
|--|-------------------|--------------------|
| Akaun | Debit (RM) | Kredit (RM) |
| Purchase / Sales | 21,730 | 36,540 |
| Return | 550 | 480 |
| Import duties | 1,230 | |
| Freight outward | 880 | |
| Commission received | | 1,640 |
| Discount | 250 | 310 |
| Rental | 4,180 | |
| Utility bills | 1,720 | |
| General expenses | 110 | |
| Stationery | 200 | |
| Cash in hand | 350 | |
| Overdraft bank | | 1,500 |
| Debtors and creditors | 2,300 | 2,580 |
| Bad debts | 120 | |
| Office equipment | 10,000 | |
| Motor vehicles | 30,000 | |
| Interest received | | 270 |
| Provision for depreciation- Office equipment | | 1,000 |
| Provision for depreciation- Motor vehicles | | 6,500 |
| Capital | | 25,000 |
| Opening stock | 2,200 | |
| | 75,820 | 75,820 |

Stock as at 31 December 2026 was valued at RM 70,000

You are required to prepare:

- a. Trading Account for the year ended 30 December 2026
- b. Profit & Loss Statement for the year ending 30 December 2026
- c. Statement of Financial Position as at 30 December 2026

The following are the information extracted from the book of Amira Cafe for the year ended 30 June 2026.

| Amira Cafe Trial Balance as at 30 September 2026 | | |
|---|-------------------|--------------------|
| Particulars | Debit (RM) | Credit (RM) |
| Stock as at 1st January 2018 | 12,500 | |
| Fixtures and fittings | 2,700 | |
| Vehicles | 16,000 | |
| Drawing | 570 | |
| Debtors and creditors | 14,500 | 7,522 |
| Capital | | 25,000 |
| Bank | 4,893 | |
| Import duty | 292 | |
| Return | 630 | |
| Purchased and sales | 50,570 | 88,673 |
| Travelling expenses | 5,600 | |
| Salaries | 6,400 | |
| Maintenance expenses | 1,500 | |
| Stationery | 439 | |
| Freight inwards | 150 | |
| Insurances | 651 | |
| Utilities | 540 | |
| Rental expenses | 3,260 | |
| Total | 121,195 | 121,195 |

Stock as at 31 December 2026 was valued at RM 70,000

You are required to prepare:

- a. Trading Account for the year ended 30 December 2026
- b. Profit & Loss Statement for the year ending 30 December 2026
- c. Statement of Financial Position as at 30 December 2026

The following Trial Balance is obtained from Perniagaan Jannah Suci at 30 September 2026

| Perniagaan Jannah Suci | | |
|--|-------------------|--------------------|
| Trial Balance as at 30 September 2026 | | |
| | Debit (RM) | Credit (RM) |
| Purchases and Sales | 23,730 | 38,540 |
| Return | 600 | 530 |
| Cash in hand | 3,350 | |
| Capital | | 33,450 |
| Commission received | | 3,640 |
| Discount | 1,250 | 310 |
| Opening stock | 2,700 | |
| Utility bills | 2,720 | |
| General expenses | 110 | |
| Stationery | 200 | |
| Rental | 4,680 | |
| Overdraft bank | | 1,500 |
| Debtors and creditors | 4,300 | 4,080 |
| Interest received | 270 | |
| Bad debts | 1,120 | |
| Machinery | 13,500 | |
| Motor vehicles | 35,000 | |
| Import duties | 1,230 | |
| Freight outwards | 1,330 | |
| Provision of depreciation – Motor vehicles | | 9,500 |
| Provision of depreciation- Machinerics | | 4,000 |
| | 95,820 | 95,820 |

The closing inventories are valued at RM 4,630 at cost price and RM5,750 at market price.

You are required to prepare:

- a. Statement of Comprehensive Income for the year ended 30 September 2026
- b. Statement of Financial Position as at 30 September 2026

Kasey Enterprise is a retailer of hardware accessories, and the following is the Trial Balance from her book of record.

| Kasey Enterprise | | |
|--|----------------|----------------|
| Trial Balance as at 31 October 2026 | | |
| | Debit (RM) | Credit (RM) |
| Purchase | 40 000 | |
| Sales | | 70 000 |
| Opening inventories | 17 000 | |
| Motor vehicles | 18 000 | |
| Carriage outwards | 3 000 | |
| Carriage inwards | 2 000 | |
| Return inwards | 1 400 | |
| Return outwards | | 1 000 |
| Discount | 1 300 | 1 200 |
| Insurance on building | 1 100 | |
| Wages | 1 500 | |
| Salary | 12 000 | |
| Duty import | 700 | |
| Buildings | 26 000 | |
| Utility expenses | 5 000 | |
| Printing and stationery | 800 | |
| Cash | 2 000 | |
| Bank overdraft | | 15 000 |
| Debtors | 16 000 | |
| Creditors | | 10 000 |
| Drawings | 2 000 | |
| Discount received | | 4 000 |
| Commission received | | 1 600 |
| Capital | | 47 000 |
| | 149 800 | 149 800 |

The closing inventories are valued at RM 20 000

You are required to prepare:

- a. Statement of Comprehensive Income for the year ended 30 September 2026
- b. Statement of Financial Position as at 30 September 2026

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