

Worksheet 1: The Accounting Equation

Assets = Liabilities + Owner's Equity

Part A — Fill in the Missing Amount

Calculate the missing figure so that the accounting equation balances.

#	Assets (■)	Liabilities (■)	Owner's Equity (■)
1	5,00,000	2,00,000	_____
2	8,40,000	_____	3,60,000
3	_____	1,75,000	4,25,000
4	12,00,000	7,50,000	_____
5	_____	3,20,000	6,80,000
6	9,90,000	_____	4,50,000

Part B — Analyse Transactions

For each transaction, state whether Assets, Liabilities, or Equity increases (↑), decreases (↓), or is unchanged (—). Then confirm the equation still balances.

#	Transaction	Assets	Liabilities	Equity	Balanced?
1	Owner invests ■2,00,000 cash				
2	Borrowed ■80,000 from bank				
3	Bought equipment for ■50,000 cash				
4	Earned ■30,000 revenue (cash)				
5	Paid ■10,000 rent expense				
6	Paid ■80,000 bank loan repayment				

Part C — Answer Key

Part A Answers

1: Equity = ■3,00,000 | 2: Liabilities = ■4,80,000 | 3: Assets = ■6,00,000

4: Equity = ■4,50,000 | 5: Assets = ■10,00,000 | 6: Liabilities = ■5,40,000