

The **Accounting Equation** is:

$C + (I - E) = A - L$	Capital + Net Profit (Income - Expenses) = Assets - Liabilities	$A + E = C + I + L$	Assets + Expenses = Capital + Income + Liabilities
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DR	CR																																																																																								
<p>ASSETS</p> <p>curr. Bank</p> <p>curr. Cash (in till/safe)</p> <p>curr. DEBTORS</p> <p>fixed Equipment</p> <p>fixed Fixture / Fittings</p> <p>fixed Property</p> <p>curr. Stock</p> <p>fixed Vehicles</p>	<p style="text-align: center;">CAPITAL</p> <p>Owner(s)' Capital A/c</p> <p style="text-align: center;">Income</p> <p>SALES</p> <p>Bank Interest received</p> <p>Rentals from Property</p> <p style="text-align: center;">Liabilities</p> <p>CREDITORS</p> <p>(Bank/Private) LOAN</p>	<p style="text-align: center;">ASSETS</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">DR</th> <th style="width: 50%;">CR</th> </tr> <tr> <td style="text-align: center;">+</td> <td style="text-align: center;">-</td> </tr> </table> <p style="text-align: center;">EXPENSES</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">DR</th> <th style="width: 50%;">CR</th> </tr> <tr> <td style="text-align: center;">+</td> <td style="text-align: center;">-</td> </tr> </table>	DR	CR	+	-	DR	CR	+	-	<p style="text-align: center;">CAPITAL</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">DR</th> <th style="width: 50%;">CR</th> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">+</td> </tr> </table> <p style="text-align: center;">INCOME</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">DR</th> <th style="width: 50%;">CR</th> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">+</td> </tr> </table> <p style="text-align: center;">LIABILITIES</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">DR</th> <th style="width: 50%;">CR</th> </tr> <tr> <td style="text-align: center;">-</td> <td style="text-align: center;">+</td> </tr> </table>	DR	CR	-	+	DR	CR	-	+	DR	CR	-	+																																																																		
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