

QUESTION 1

Selected Transactions from Shah Transport Services began on June 1, 2016 by Zahid Shah as?

- a.** Zahid Shah invested Rs. 600,000.
- b.** Truck was Purchase by business for Rs. 430,000.
- c.** Equipment purchased on credit for Rs. 9,000.
- d.** A bill of Rs. 7,200 for transporting goods was sent to Mr. Ashraf Abbasi, a customer.
- e.** Cash of Rs. 6,000 is received from the customer who was billed in *d*.
- f.** Received Rs. 22,300 is cash for transporting goods.
- g.** A payment of Rs. 5,000 was made on the equipment purchased in *c*.
- h.** Paid expenses of different types for Rs. 1,700 in cash.
- i.** Equipment of Rs. 1,200 was withdrawn from business for Zahid Shah's personal use.

Required: Arrange the Assets, Liabilities and Owner's Equity accounts in an Accounting Equation, using the following account titles: Cash, Trucks, Equipment, Account Receivables, Account Payable and Owner's Equity:

QUESTION2

Prove that the Accounting Equation is satisfied in all following transactions of Wajeeha Ejaz owner of business enterprises?

- I.** Started business with cash value of Rs. 500,000.
- II.** Rent paid in advance for a year Rs. 6,000.
- III.** Purchased merchandising inventory for cash Rs. 80,000 and on account Rs. 20,000 from Mr. Tahir.
- IV.** Purchased Marketable securities for cash Rs. 100,000.
- V.** Cash Sales Rs. 30,000 (cost 20,000).
- VI.** During the period rent expires Rs. 2,000.
- VII.** Commission paid during the trading was Rs. 1,000.
- VIII.** Received cash dividend Rs. 4,000 on marketable securities.
- IX.** Paid to Rs. 19,500 to Mr. Tahir in full settlement.
- X.** Withdrew inventory for personal purpose by owner of worth Rs. 6,000.