**Chapter 4 :   
LO2: CLOSING THE BOOKS**

**Two types of accounts:**

* Temporary accounts حسابات مؤقتة   
  هي الحسابات التي يتم اقفالها في نهاية الفترة المحاسبية **( يتم تصفريها)   
    
  Revenue**

**Expenses   
Dividends   
income summary   
INCOME STATEMENT ACCONTS & DIV & INCOME SUMMARY**

* permanent accounts حسابات الدائمة   
  هي الحسابات التي لا يتم اقفالها في نهاية الفترة المحاسبية ( يكون لها ارصدة ابتدائية ) ( الرصيد النهائي لفترة يكون رصيد ابتدائي للفترة اللاحقة)

**Assets   
Liability   
equity ( S.C.O & RE)**

**BALANCE SHEET ACCOUNTS**

**CLOSING ENTRIES :**

1. **closing for revenues**Dr Revenue   
    Cr income summary
2. **closing for expense**

Dr income summary   
 cr expense

1. **closing for income summary**

**net income :**Dr income summary   
 Cr RE

**NET LOSS:**Dr RE   
 Cr income summary

1. **closing for dividends**

Dr RE   
 Cr dividends

Re (end ) = RE (BEG) + REV – EXP – DIV

E4-8)   
**(A) CLOSING ENTRIES:**   
  
CLOSING FOR REVENUES :  
Dr service rev 64,000  
Dr rent rev 6,500  
 Cr income summary 70,500  
  
Closing for expense :

Dr income summary 78,600  
 Cr dep exp 8,000  
 Cr s& w exp 55,700  
 Cr utility exp 14,900

Closing for income sumaary

Net income/ loss = revenue – expense   
 = 70,500 – 78,600   
 = -8,100 net loss  
  
Dr RE 8,100  
 Cr income summary 8,100  
  
closing for dividends  
 Dr RE 16,000   
 Cr div 16,000

|  |  |
| --- | --- |
| Service rev | |
| Dr | Cr |
| Clo. 64,000 | End bal after adj 64,000 |
|  |  |

|  |  |
| --- | --- |
| Service rev | |
| Dr | Cr |
| Clo. 6500 | End bal after adj 6500 |
|  |  |

|  |  |
| --- | --- |
| Dep exp | |
| Dr | Cr |
| End bal after adj 8,000 | Clo. 8,000 |
|  |  |

|  |  |
| --- | --- |
| S & W exp | |
| Dr | Cr |
| End bal after adj 55,700 | Clo. 55,700 |
|  |  |

|  |  |
| --- | --- |
| UTILITY exp | |
| Dr | Cr |
| End bal after adj 14,900 | Clo. 14,900 |
|  |  |

|  |  |
| --- | --- |
| INCOME SUMMARY | |
| Dr | Cr |
| CLO. 78,600 | CLO. 70,500 |
|  | CLO. 8,100 |

|  |  |
| --- | --- |
| Div | |
| Dr | Cr |
| End bal after adj 16,000 | Clo. 16,000 |
|  |  |

|  |  |
| --- | --- |
| RE | |
| Dr | Cr |
| Clo. 8,100 | Beg bal 25,200 |
| Clo. 16,000 |  |
|  | **End bal 1,100** |

|  |  |  |
| --- | --- | --- |
| Huang auto Post closing trial balance ميزان المراجعة بعد الاقفال July.31.2020 | | |
|  | Dr | Cr |
| Cash | 9,840 |  |
| Acc rec | 8,780 |  |
| Equipment | 15,900 |  |
| Acc dep |  | 7400 |
| Acc pay |  | 4220 |
| Unearned rent rev |  | 1,800 |
| S.C.O |  | 20,000 |
| RE ( end ) |  | 1,100 |
|  | 34,520 | 34,520 |