**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 autoPost closing trial balance ميزان المراجعة بعد الاقفالJuly.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 |