FORMAT CHECKLIST

1)	**Inventory** [Create Impairment loss on inventory (expense), Inventory (-)]	
2)	**Bankrupt/Written off (Confirmed)** [Trade receivables (-) , Allowance (-) or Create Impairment loss on TR (expense)]	
3)	**Estimate** [Make Allowance to be the estimated amount, Create Impairment loss on TR (expense)]	
4)	**Long-term borrowing** [Create Current portion of long term borrowing (current liability), Bank loan/Loan (-)]	
5)	**Depreciation of non-current assets** [Create Depreciation-? (expense), Accumulated Depreciation -? (+)]	
6)	**Expense** Create Prepaid expense (current asset), Expense (-) Create Expense Payable (current liability), Expense (+) **Income** Create Income received in advance (current liability), Income (-) Create Income receivable (current asset), Income (+)	
7)	**General Adjustments**	

Prepared by Ms Shalini

Double entries for inventory

Transaction	Accounts affected
Business sells inventory to customer	***On credit*** Sales revenue + Trade receivable: ABC + Inventory − Cost of sales + ***On cash terms*** Sales revenue + Cash in hand / Cash at bank + Inventory − Cost of sales +
Customer returns inventory back to business	***On credit*** Sales returns + Trade receivable: ABC - Inventory + Cost of sales - ***Give refund*** Sales returns + Cash in hand / Cash at bank - Inventory + Cost of sales -
Business receives a cheque from customer	***Without cash discount*** Cash at bank + Trade receivable: ABC − ***With cash discount*** Cash at bank + Trade receivable: ABC − Discount allowed + Trade receivable: ABC −
Cheque from customer was dishonoured	***Without cash discount given previously*** Cash at bank − Trade receivable: ABC + ***Cash discount given previously*** Cash at bank − Trade receivable: ABC +

	Discount allowed – Trade receivable: ABC +

Business buys inventory from supplier	**On credit** Inventory + Trade payable: XYZ + **On cash terms** Inventory + Cash in hand / Cash at bank -
Business returns inventory to supplier	**On credit** Inventory - Trade payable: XYZ - **Received refund** Inventory - Cash in hand / Cash at bank +
Business pays suppliers	Trade payable: XYZ – Cash in hand / Cash at bank –