

## Basic Accounting - Year End Adjustments Cheat Sheet by trex via cheatography.com/135522/cs/28142/

### Depreciation

### **GL Acc Impacted:**

Depreciation (Expense) Debit

Accumulated Depreciation (Negative Asset)

Credit

\*

### Straigh-line Method:

Annual fixed percentage

Asset value x % = Annual Depreciation

Example: Vehicle Cost =R120,000 x 20% = R24,000

\*

### **Reducing Balance Method:**

Annual percentage of reduced value

Reduced Asset Value x % = Annual Depreciation

Example: Remaining Vehicle Cost = R120,000 - R24,000 = R96,000 x 20% = R19,200

### **Credit Losses**

### **Increase Allowance for Credit Losses**

Credit Losses (Expense) Debit

Allowance for Credit Losses (Negative Asset) Credit

\*

### **Decreasing Allowance for Credit Losses**

Allowance for Credit Losses (Negative Asset) **Debit** 

Credit Losses (Expense) Credit

\*

# Writing off Credit Losses when allowance for credit losses does NOT exist

Credit Losses (Expense) Debit

Debtors Control (Current Asset) Credit

\*

### Writing off Credit Losses when allowance for credit losses DOES exist

Allowance for Credit Losses (Negative Asset) Debit

Debtors Control (Current Asset) Credit

### **Credit Losses (cont)**

\*

### **Creating an Allowance for Credit Losses**

Credit Losses (Expense) Debit

Allowance for Credit Losses (Negative Asset) **Debit** 

### **Pre-paid Expenses**

Prepaid Expenses (Expense) Debit

GL Expense Account (Expense) Credit

Example: Prepaid Exepenses DR 1000 and Insurance CR 1000

### **Accrued Expenses**

GL Expense Account (Expense) Debit

Accrued Expenses (Expense) Credit

### **Example**

Water and Electricity DR 500 and Accrued Expenses CR 500

### **Accrued Income**

Accrued Income \*(Income) Debit

GL Income Account (Income) Credit

Example: Accrued Income DR 2500 and Rent CR 2500

### **Income Received in Advance**

GL Income Account (Income) Debit

Income Received in Advance (Income)

### Credit

Example: Rent Received DR 2100 and Income Received in Advance CR 2100



By **trex** cheatography.com/trex/

Not published yet. Last updated 27th May, 2021. Page 1 of 1. Sponsored by **CrosswordCheats.com** Learn to solve cryptic crosswords! http://crosswordcheats.com