

10.1 A drill to practise transactions between the firm and its owner

Analyze each of the following transactions as movements of equal value IN to and OUT of the business.

1. an owner puts £300 cash into her business

IN	cash	£300	
OUT	capital (promise to owner)		£300

2. an owner puts a machine, value £450, into his business

IN	machine	£450	
OUT	capital (promise to owner)		£450

3. an owner puts £500 of her own money into the business bank account

IN	bank	£500	
OUT	capital (promise to owner)		£500

4. an owner takes £50 cash out of his own business

IN	capital (promise to owner)	£50	
OUT	cash		£50

5. an owner takes £40 of goods out of the stock of her own business

IN	capital (promise to owner)	£40	
OUT	purchases		£40