

## 7.2 A drill to practise analyzing compound transactions

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

1. a firm buys computer equipment for £500, and software for £200, paying £300 immediately by cheque, with the rest on credit

IN	computer equipment	£500	
IN	software	£200	
OUT	bank		£300
OUT	promise to supplier		£400

2. a firm buys a truck (value £20 000), a trailer (value £5 000), a refrigerator unit (value £7 000) and fuel (value £200), paying the total immediately by cheque

IN	truck	£20 000	
IN	trailer	£5 000	
IN	refrigerator unit	£7 000	
IN	fuel	£200	
OUT	bank		£32 200