

Example 1: Decide whether the following items can be recognized as assets?

Item	Yes/No
Patent bought by an entity that makes possible to increase the volume of profit on CU 50 000 annually	
Booked material for production of products	
New director of an entity. It is expected that he will increase net cash flows of the entity of CU 100 000 during next 3 years	
Purchase of new machinery from financial leasing	
Parcel obtained from the state	
Minority interest in an associate	
Brand name of an entity valued for CU 150 000	
Customer list	

Example 2: Decide whether the following items can be recognized as liabilities?

Item	Yes/No
Bill of exchange issued by an entity	
Advance payments received by an entity	
Deferred payment into state budget for mineral extraction	
Retirement benefits for employees in excess of strict legal obligations	
Product warranties provided for buyers by a manufacturing entity	
Outstanding lawsuits	

Example 3: For the following items determine the amount of total assets and total equities. Divide total assets into current and non-current (fixed) assets. Divide equities into owner's equity and liabilities.

Item	Value (CU)
Material at the stock	100 000
Property, plant and equipment	1 000 000
Trade receivables	50 000
Securities held for sale	200 000
Cash	5 000
Business brand name	150 000
Cars	500 000
Cash on the bank account	200 000
Common stocks	1 065 000
Trade payables	40 000
Long-term bank loan	1 000 000
Reserves	100 000

Item	Value (CU)
Total assets	
Current assets	

Non-current assets	
Total equity	
Liabilities	
Owner's equity	

Example 4: Divide the following items into current and non/current assets, owner's equity and liabilities:

Item	Assets		Equities	
	Current	Non-current	Liabilities	Owner's equity
Car				
Technological line				
Building				
Inventories				
Parcel				
Merchandise				
Software				
Capital shares				
Animals				
Own products				
Cash				
Incomplete production				
Trade receivables				
Bank credits and assistance				
Cash on bank account				
Securities held for sale				
Trade payables				
Issued long-term bonds				
Liabilities to employees				
Liabilities to social institutions				
Deferred income tax				
Reserves				
Computers				
Common stocks				
Net profit				
Retained earnings				
Reserves				
Non-controlling interest				

Example 5: Decide what impact the following operations have on entity's balance (notice, that every operation should be accounted on two accounts – debiting one account and crediting another account):

Item	Assets (+/-)		Equities (+/-)	
	Current	Non-current	Liabilities	Owner's equity

Owner invests cash				
Entity pays wages with cash				
Entity buys equipment with cash				
Entity purchases supplies on credit				
Owner withdraws cash				
Entity sells services on credit				
Entity sells goods for cash				
Entity sells extra equipment for cash				
Entity acquires services on credit				
Entity sells services for cash				
Entity borrows cash with note payable				
Entity pays rent with cash				
Entity collects (cashes) receivables				
Entity buys land with note payable				
Entity discovers shortage in inventories				
Entity pays dividends				
Entity pays trade payables with bank loan				
Entity acquires a stake in associate with cash				
Entity pays bank interest with cash on bank account				
Entity issues common stocks				
Entity acquires a bank loan				

Example 6: Decide whether following operations represent revenues or expenses and decide what impact they have on entity's economic result and balance (notice, that every operation should be accounted on two accounts – debiting one account and crediting another account):

Operation	Revenue / Cost	Impact on economic result (+/-)	Assets (+/-)		Equities (+/-)	
			Current	Non-current	Liabilities	Owner's equity
Revenue from sale of merchandise						
Decrease of merchandise sold						
Supplier's invoice bill for repairs						
Consumption of material						
Invoice bill for consumption of						

energy						
Travel costs						
Revenue from sale of services						
Representation costs						
Revenues from sale of material						
Paid credit interests						
Bank fees for organizing an account						
Revenues from sale of long-term property						
Revenue from financial investment						
Cashed interests from account						
Cashed fees						
Paid fees						
Securities sold						