

Decide if you would classify each of the listed items (a) - (l) as an:

asset
liability
equity
revenue
expense
dividend
not applicable

Indicate the balance you would normally expect to find in the general ledger account related to each item:

debit
credit

When you are done, you should conclude that two of the items would not be included in the accounts of a company.

- (a) Utilities cost incurred and paid
- (b) Distributions to shareholders
- (c) Proceeds received from customers for services provided
- (d) Land used by the business under a lease agreement
- (e) Amounts due from customers
- (f) The amount owed to a bank related to a loan
- (g) Shareholder investments received
- (h) Cash on hand
- (i) Equipment owned by the business
- (j) The amount of rent incurred but not yet paid
- (k) Backlog of work to be performed in the future under existing contracts
- (l) Salaries earned by employees and already paid to them