

# EFFECTS ON PURCHASE TRANSACTIONS

Identify the effect (increase/decrease) on asset, liability, owner's equity, expenses and revenues.

Transaction	Increase	Decrease
Purchased stocks via cheque	EXPENSES	ASSET
Bought inventories by cash		
Purchased stock by credit		
Returned items to creditor (previous purchased made on credit)		
Returned items to supplier (previous purchased made on cash)		

Transaction	Increase	Decrease
Purchased goods worth RM10,000 on credit from BBW Berhad		
Returned defective goods to BBW Berhad amounting RM1,000		
Issued cheque of RM800 for the goods bought.		