

Name

1.3 Accounting equation

The following equation can be deduced from the accounting concepts:

$$\text{ASSETS} = \text{OWNER'S EQUITY} + \text{LIABILITIES}$$

OR

$$\text{OWNER'S EQUITY} = \text{ASSETS} - \text{LIABILITIES}$$

OR

$$\text{LIABILITIES} = \text{ASSETS} - \text{OWNER'S EQUITY}$$

Activity 2

Use the accounting equation to work out the missing amounts.

Nr.	A	O	L
1	R380 000	R?	R120 000
2	R?	R648 000	R240 000
3	R810 000	R520 000	R?
4	R?	R140 000	R60 000
5	R735 000	R?	R40 000
6	R450 000	R380 000	R?