

## Tabular Statement

### Introduction

A tabular statement shows the changes different transaction make to the balance sheet. These transactions will affect the assets and liabilities of a business. The double entry basis is used. So, for example if an asset increases another asset will decrease or a liability will increase.

Remember the account equation

$$\text{Assets} = \text{Liabilities} + \text{Capital}.$$

### Step by step approach

1. List the assets given in the question vertically in your tabular statement (Top Half). Remember to include any assets at cost and the relevant depreciation as a negative. Do the same for Debtors and bad debts (Look out to see if you will have to calculate the provision for bad debts)
2. List the Liabilities given in the question vertically in your tabular statement (Bottom Half). Remember bank overdraft can be in the assets section as a negative figure
3. Leave 3 blank line in the asset and liability section for extra items such as goodwill, rent prepaid, revaluation reserve
4. Add the total Assets and the total Liabilities. They should be the same due the accounting equation
5. Count the number of transactions in the question this will give you the number of columns needed for the question
6. Identify the assets and liabilities for each transaction and enter in the tabular statement Remember the figure in the columns must be the same for the assets and liabilities)
7. Total the assets and liabilities at the end by adding the figure across in the row