**Unit 2: How Do You Do Accounting Anyway?**

**Activity 2: Accounting Basics 102**

[Overview](https://download.elearningontario.ca/repository/1239660000/BAI3ECU02/BAI3ECU02A02/overview.html) | [Expectations](https://download.elearningontario.ca/repository/1239660000/BAI3ECU02/BAI3ECU02A02/expectations.html)| **Content** | [Assignment](https://download.elearningontario.ca/repository/1239660000/BAI3ECU02/BAI3ECU02A02/assignment.html)

**Content**

**Expanding Owner's Equity**

1. Why do we need to expand owner’s equity?
2. What 4 pieces does Owner’s Equity expand into?
3. What is revenue? Provide 2 examples (i.e. Fees Earned)
4. What are expenses? Provide 4 examples
5. What are drawings?
6. What is capital?

**Check Your Understanding**

1. Use a check mark to classify the following as: revenues, expenses, drawings, or capital. The first one is completed for you.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account Name** | **Revenue** | **Expense** | **Drawing** | **Capital** |
| Car Expense  |  | Description: checkmark |  |  |
| Fees Earned  |  |  |  |  |
| Supplies Expense  |  |  |  |  |
| Smith J. Drawings  |  |  |  |  |
| Utilities Expense  |  |  |  |  |
| Service Revenue  |  |  |  |  |
| Wages Expense  |  |  |  |  |
| Smith J., Capital  |  |  |  |  |
| Rent Expense  |  |  |  |  |
| Revenue  |  |  |  |  |
| Rental Revenue  |  |  |  |  |
| Advertising Expense  |  |  |  |  |