

**Century 21 Accounting, 8e**  
**Multicolumn Journal**  
**Chapter Outlines**

**PART 1      ACCOUNTING FOR A SERVICE BUSINESS ORGANIZED AS A PROPRIETORSHIP**

**Chapter 1    Starting A Proprietorship: Changes that Affect the Accounting Equation**

The Accounting Equation

    What Is Accounting?

    The Business—TechKnow Consulting

    The Accounting Equation

How Business Activities Change the Accounting Equation

    Receiving Cash

        Received Cash from Owner as an Investment

    Paying Cash

        Paid Cash for Supplies

        Paid Cash for Insurance

    Transactions on Account

        Bought Supplies on Account

        Paid Cash on Account

How Transactions Change Owner's Equity in an Accounting Equation

    Revenue Transactions

        Received Cash from Sales

        Sold Services on Account

    Expense Transactions: Paying Cash for Expenses

    Other Cash Transactions

        Received Cash on Account

        Paid Cash to Owner for Personal Use

        Summary of Changes in Owner's Equity