



155/2022

CCS Insights

Bookkeeping - Everybody Can Do It - 17: Prepaid Expenses

簿记- 每个人都能做到- 17: 未赚取的收入

Feel the CCS & Co Difference

A cartoon illustration of a man in a white shirt and tie, standing with his hands clasped and looking thoughtful. Above his head is a thought bubble filled with various banknotes and coins, representing money or financial concepts.

The CCS logo, consisting of the letters 'CS' in white inside an orange square.

Prepaid Expenses



- Rent, insurance, and periodicals are examples of services or goods for which some companies require payment in advance.
- These companies reported expenses before some benefits have been received.
- These expenses are called prepaid expenses.
- Because the company anticipates receiving some benefit in the form of a service or goods in exchange for the prepaid expenses, they are classified as assets.
- During the useful life of the services or goods, the prepaid expenses are allocated to a specific expense account, thereby reducing owner's equity.



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Prepaid Expenses



- Let's look at some of the most common journal entries about prepaid expenses.
- It is agreed that a payment of RM12,000 will be made as an advance rental for office space and equipment that will be used for a period of twelve months.
- This transaction impacts both the cash account and the prepaid expenses account.



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Prepaid Expenses



- The prepaid expense account is an asset account that is increasing in value, therefore, the company should record a debit against it.
- The cash account is an asset account that decreases in value, as a result, the company should keep a credit record against it.

Journal Entries		
Account	Debit	Credit
Prepaid Expense Account	12,000	
Cash		12,000

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Prepaid Expenses



- The rental agreement has a 12-month usable life. That's why every month, the company should recognise a portion of the prepaid expenses as a rental expense.
- This type of transaction is referred to as an adjustment.
- Every month, RM1,000 should be debited to the rent expenses account, and RM1,000 should be credited to the prepaid expenses account.

Journal Entries		
Account	Debit	Credit
Rent Expenses Account	1,000	
Prepaid Expense Account		1,000

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预付费用



- 租金、保险和期刊是一些公司被要求提前付款的服务或商品的例子。
- 这些公司在获得相关服务或商品之前，就以及作出了相关的支出。
- 这些费用被称为预付费用。
- 因为公司预期这些预付费日后可以用来交换服务或商品，因此，它们被归类为资产。
- 在服务或商品的使用期限内，预付费被分配到一个特定的费用账户，从而减少所有者权益。

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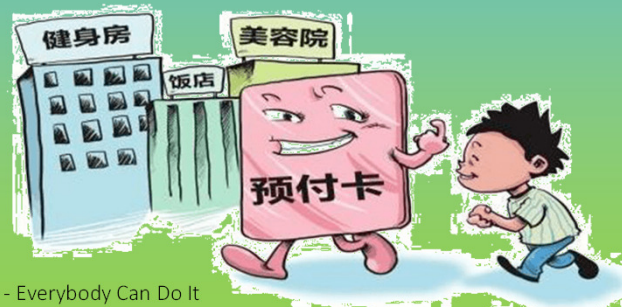
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预付费用



- 让我们来看看一些最常见的关于预付费用的日记账[journal entries]。
- 经商定，将支付12千令吉作为办公场所和设备的预付租金，将使用12个月。
- 这项交易同时影响到 现金账户和预付费用 账户。



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预付费用



- 预付费用账户是一个正在增值的资产账户，因此，公司应该对其进行借方记录。
- 现金账户是一个价值减少的资产账户，有鉴于此，公司应该对其进行贷方记录。

日记账 [Journal Entries]		
账户 [Account]	借记 / DR	贷记 / CR
预付费用 [Prepaid Expense Account]	12,000	
现金 [Cash]		12,000

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预付费用



- 租赁协议有12个月的可使用期。这就是为什么每个月，公司应该确认部分预付费用作为租金的支出。
- 这种类型的交易被称为调整。
- 每个月，1千令吉应该记入租金支出账户的借方，同时1千令吉记入预付费用账户的贷方。

日记账 [Journal Entries]		
账户 [Account]	借记 / DR	贷记 / CR
租金支出 [Rent Expenses Account]	1,000	
预付费用 [Prepaid Expense Account]		1,000

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