

## THE EFFECTS OF ADJUSTING ENTRIES ON THE FINANCIAL STATEMENTS

Adjustment	Income Statement			Balance Sheet		
	Revenue	Expenses	Net Income	Assets	Liabilities	Owners' Equity
<b>Type I</b>						
Converting Assets to Expenses	No effect	Increase	Decrease	Decrease	No effect	Decrease
<b>Type II</b>						
Converting Liabilities to Revenue	Increase	No effect	Increase	No effect	Decrease	Increase
<b>Type III</b>						
Accruing Unpaid Expenses	No effect	Increase	Decrease	No effect	Increase	Decrease
<b>Type IV</b>						
Accruing Uncollected Revenue	Increase	No effect	Increase	Increase	No effect	Increase

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