

A BRIEF REVIEW OF DEBITS & CREDITS

Identifying Accounts and Debits & Credits

For each of the business transactions below, identify the accounts involved and whether each will be a debit or credit.

11/03 Owner made an investment of \$20,000 in business.		
What is the <u>Asset Account</u> ?	Does it <u>Increase</u> or <u>Decrease</u> ?	<u>Debit</u> or <u>Credit</u> ?
What is the <u>Other Account</u> ?		<u>Debit</u> or <u>Credit</u> ?

11/08 Paid wages expense of \$1,000.		
What is the <u>Asset Account</u> ?	Does it <u>Increase</u> or <u>Decrease</u> ?	<u>Debit</u> or <u>Credit</u> ?
What is the <u>Other Account</u> ?		<u>Debit</u> or <u>Credit</u> ?

11/12 Purchased \$6,000 of equipment on account.		
What is the <u>Asset Account</u> ?	Does it <u>Increase</u> or <u>Decrease</u> ?	<u>Debit</u> or <u>Credit</u> ?
What is the <u>Other Account</u> ?		<u>Debit</u> or <u>Credit</u> ?

11/20 Earned fees of \$12,000 in cash from customers.		
What is the <u>Asset Account</u> ?	Does it <u>Increase</u> or <u>Decrease</u> ?	<u>Debit</u> or <u>Credit</u> ?
What is the <u>Other Account</u> ?		<u>Debit</u> or <u>Credit</u> ?

11/30 Owner withdrew \$3,500 from business.		
What is the <u>Asset Account</u> ?	Does it <u>Increase</u> or <u>Decrease</u> ?	<u>Debit</u> or <u>Credit</u> ?
What is the <u>Other Account</u> ?		<u>Debit</u> or <u>Credit</u> ?

Normal Balances

Indicate whether each of the following accounts has a **DEBIT** or **CREDIT** normal balance.

- | | | |
|-------------------------|-------------------------|----------------------------|
| ___ 1. Cash | ___ 4. Equipment | ___ 7. Fees Earned |
| ___ 2. Accounts Payable | ___ 5. Supplies | ___ 8. Accounts Receivable |
| ___ 3. Capital | ___ 6. Supplies Expense | ___ 9. Utilities Expense |

What Side?

How can you tell which side of a T-Account is a debit or credit? (note: this is a trick question)