**Accounting for Careers: Chapter 4 Notes Outline**

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| Ledger: |
| Chart of Accounts: |
| Double-Entry Accounting: |
| T-Account: |
| Debit: |
| Credit: |
| Normal Balance: |

**KEY CONCEPTS**

1. Double-entry accounting is a system of record-keeping in which each business transaction affects at least two accounts.
2. The T-account is a tool for analyzing the debit and credit parts of a business transaction.
3. The top of a t-account is used for the account name. Debits are enterd on the left side and credits on the right side of the t-account.

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| Account Name | |
| Debits | Credits |

1. Every account has an increase and a decrease side (a debit and a credit side).
2. For asset accounts:

* The increase side is the debit side (left).
* The decrease side is the credit side (right).
* The normal balance is a debit.

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| Assets | |
| Debits  +  Increase  Normal Balance | Credits  -  Decrease |

1. For liability and owner’s capital accounts:

* The increase side is the credit side (right).
* The decrease side is the debit side (left).
* The normal balance is a credit.

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| Liabilities & Owner’s Equity | |
| Debits  -  Decrease | Credits  +  Increase  Normal Balance |