**NOTES – CHEAT SHEET**

***Write the Accounting Equation below & any additional information you may need. Under each appropriate section, we will be adding / listing the various accounts as we come to them. Refer to this sheet throughout the course.***

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ + \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

***FOR THESE BASIC TRANSACTIONS, IDENTIFY THE ACCOUNTS USED & WHERE THE MONEY IS ADDED/SUBTRACTED?***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **RECEIVING CASH** | | |  | **CASH FOR SUPPLIES** | | |
| **A** | **L** | **OE** |  | **A** | **L** | **OE** |
|  |  | |  |  |  | |
|  | | | | | | |
| **CASH FOR INSURANCE** | | |  | **SUPPLIES ON ACCOUNT** | | |
| **A** | **L** | **OE** |  | **A** | **L** | **OE** |
|  |  | |  |  |  | |
|  | | | | | | |
| **CASH ON ACCOUNT** | | |  | **CASH FROM SALES** | | |
| **A** | **L** | **OE** |  | **A** | **L** | **OE** |
|  |  | |  |  |  | |
|  | | | | | | |
| **SOLD SERVICES ON ACCOUNT** | | |  | **PAID CASH FOR ????** | | |
| **A** | **L** | **OE** |  | **A** | **L** | **OE** |
|  |  | |  |  |  | |

**NORMAL ACCOUNT BALANCES**

**What increases / decreases the accounts**

*\*Debit and Credit* ***DO NOT*** *mean increase or decrease. Debit = the left side, Credit = the right side. \**

**ASSETS = LIABILITIES + OWNER'S EQUITY**

**OWNER'S CAPITAL ACCOUNT**

*Debit (DR)*

*Credit (CR)*

**ANY LIABILITY**

*Debit (DR)*

*Credit (CR)*

**ANY ASSET**

*Debit (DR)*

*Credit (CR)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **CASH** | |  | **ACCOUNTS RECEIVABLE (AR)** | |  | **SUPPLIES** | |
| *DR* | *CR* |  | *DR* | *CR* |  | *DR* | *CRT* |
|  |  |  |  |  |  |  |  |
|  | | | | | | | |
| **PREPAID INSURANCE (PPI)** | |  | **CAPITAL ACCOUNTS** | |  | **ACCOUNTS PAYABLE (AP)** | |
| *DR* | *CR* |  | *DR* | *CR* |  | *DR* | *CR* |
|  |  |  |  |  |  |  |  |
|  | | | | | | | |
| **SALES** | |  | **RENT EXPENSE** | |  | **DRAWING (OWNER’S)** | |
| *DR* | *CR* |  | *DR* | *CR* |  | *DR* | *CR* |
|  |  |  |  |  |  |  |  |
|  | | | | | | | |
|  | |  |  | |  |  | |
| *DR* | *CR* |  | *DR* | *CR* |  | *DR* | *CR* |
|  |  |  |  |  |  |  |  |