

A Review of

Double entry rules

DEBIT WHAT COMES IN

CREDIT WHAT GOES OUT

DEBIT THE RECEIVER

CREDIT THE GIVER

**DEBIT ALL EXPENSES AND LOSSES
CREDIT ALL INCOME AND GAINS**

POSTING FROM DAY
BOOK AND REGISTER

TO GENERAL LEDGER ACCOUNTS

TRIAL BALANCE-TB

**TO PREPARE TB TO
ENSURE THAT ALL
ENTRIES ARE
PROPERLY POSTED**

PROFIT AND LOSS STATEMENT

TO KNOW GROSS PROFIT
TO KNOW NET PROFIT
TO KNOW THE PRODUCT COST
TO KNOW THE OPERATING COST OF
BUSINESS

BALANCE SHEET

TO KNOW ASSETS

TO KNOW LIABILITIES

TO KNOW OWNER

INVESTMENT

CASH FLOW
STATEMENT

**TO KNOW CASH
POSITION**