JOURNAL ENTRIES

KEYING IN ON KEY WORDS
For making Journal Entries

Has CASH Moved ?

YES

Did CASH INCREASE or DECREASE?

NO

Words
On Account
On Credit

Words
Cash Received
Received Payment
Check Received

Words
Paid or Prepaid
Check Issued
For Cash

PURCHASED ON ACCOUNT = YOU GOT CREDIT

SOLD ON ACCOUNT = YOU GAVE CREDIT

TRANSACTIONS

1] HERE IS THE STARTUP TRANSACTION

Joe Blow from Kokomo
STARTS a business by
INVESTING

		DEBIT	CREDIT
$24,000	CASH	$ 24,000	
$55,000	EQUIPMENT	55,000	
$20,000 in a	VEHICLE	20,000	
	CAPITAL		$ 99,000

ASSETS

CAPITAL

This is a Compound Journal Entry

Why?

Because there are more than TWO accounts involved!