

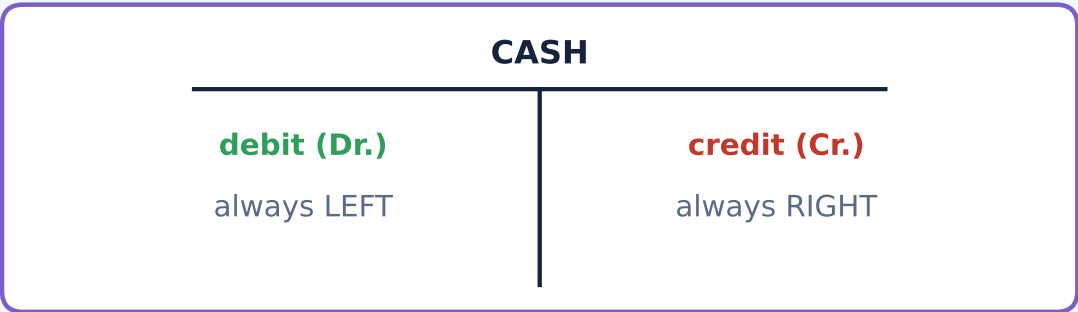


CH. 2 CHEAT CARD — THE RECORDING PROCESS

1 THE ACCOUNT — a T, three parts, nothing more

THE THREE PARTS

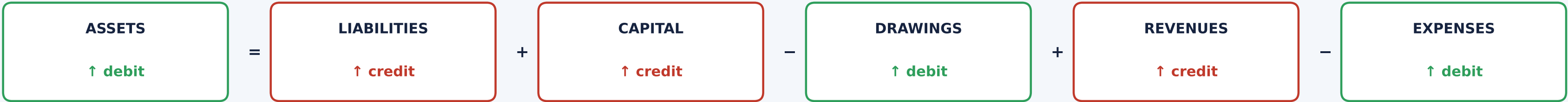
- 1 THE TITLE on top of the T
 - 2 DEBIT always the LEFT side
 - 3 CREDIT always the RIGHT side
- debit/credit mean LEFT/RIGHT — never good or bad



DOUBLE ENTRY

every transaction hits 2+ accounts
total debits = total credits
one side never moves alone
the 500-year-old machine

2 WHICH SIDE GROWS IT — read the equation's SIGNS



A · D · E grow by DEBITS

L · OC · R grow by CREDITS

the minus terms flip — that is the whole rule

3 THE PIPELINE — analyze · journalize · post · prove



BALANCED ≠ RIGHT — it cannot see:

a missing entry · a doubled entry · a right amount in a wrong account

THE REPAIR · CORRECTING ENTRY

Dr the right page, Cr the wrong one

