



General Accounting

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Accounts

The chart that reduces the number of arithmetic operations in accounting and monitors the increases and decreases in assets, liabilities and equity through an algebraic way is called an "account".

Accounts are charts that allow information on value movements with similar characteristics to be collected under one heading.



Accounts

There are two parties in one account.

The name of the left side of the account is “Debit”,

The name of the right side of the account is
“Credit”.

On both sides of each account, there is the date column showing the date of the transaction and the explanation and amount columns.

Accounts

DEBIT SIDE		NAME OF ACCOUNT			CREDIT SIDE	
Date	Explanation	Amount		Date	Explanation	Amount



Accounts

To avoid some details, the accounts are represented by the capital letter (T).

These are called "T" accounts or "skeleton" accounts.



Accounts

DEBIT	NAME OF ACCOUNT	CREDIT



Accounts

- "Debit records" to the records made on the left side of the account,
- The records made on the right side of the account are called "credit records".
- One side of each account shows increases and the other side decreases. The qualities of the accounts determine which sides of the accounts are to be increased and decreased.



Status Statements About Accounts


- Opening an account: Writing the amount required by the relevant commercial transaction on one side of an account with both sides equal or equal to each other.
- Account balance: The difference between the two sides of an account
- Closing of the account: Making two sides of an account equal.



Accounts

The accounts are divided into two according to the financial statements to which they contribute:

- Balance Sheet Accounts
 - Assets Accounts
 - Liabilities Accounts
- Income Statement Accounts
 - Expense Accounts
 - Income Accounts

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- Assets increase on left side by debiting while decrease on right side by crediting and normally show debit balance.
 - Liabilities increase on right side by crediting while decrease on left side by debiting and normally show credit balance.



Accounts

- Expenses increase on left side by debiting while decrease on right side by crediting and normally show debit balance. There is no decrease in expense accounts within the period. When the expense accounts are closed at the end of the period, the credit side is recorded.

- Revenues increase on right side by crediting while decrease on left side by debiting and normally show credit balance. There is no decrease in income accounts within the period. When closing income accounts at the end of the period, records are made to the debit side.

Accounts

DEBIT	NAME OF ACCOUNT	CREDIT
Assets increase		Assets decrease
Liabilities decrease		Liabilities increase
Equity decrease		Equity increase
Expenses increase		Closing expenses accounts
Closing income accounts		Revenues increase
Loss		Profit



Accounts

Benefits of Accounts:

- Classify transactions under meaningful groups
- Provide continuous control of the accuracy of accounting records related to transactions
- Reduce the number of arithmetic operations
- Facilitate the preparation of financial statements



Double-entry Accounting System

- Double-entry accounting system, which is based on accounting practices, requires the amount of each transaction to be recorded once as a debit and once as a credit.
- This situation requires the accounts to work mutually in the accounting records.
- Which accounts will work with each other determines the characteristics of the transactions.



Double-entry Accounting Systems

- Assets and liabilities accounts work mutually.
- Assets accounts work mutually among themselves.
- Liabilities accounts work mutually among themselves.
- Expense accounts work mutually with assets and liabilities accounts.
- Income accounts work mutually with assets and liabilities accounts.
- Profit and loss account works both with income and expense accounts, and with assets and liabilities accounts.



Double-entry Accounting Systems

To record a transaction in a double-entry accounting system

- At least two accounts are used (the number of accounts used can be more than two)
- At least one of the accounts used is registered to the debt side and at least one of the accounts is registered to the credit side
- The sum of the amounts recorded on the debt side must be equal to the sum of the amounts recorded on the credit side