

Analyzing Transactions into Debit/Credit Parts

Four questions are used in analyzing a transaction into its debit and credit parts:

- 1. What accounts are affected?**
- 2. How is each account classified?**
Asset, liability, owner's equity, revenue, or expense.
- 3. How is each account balance changed?**
Increased or decreased.
- 4. How is each amount entered into the accounts?**
Debited or credited