



## Chapter 2 Outline

### Accounts

- Asset Accounts
- Liability Accounts
- Owners' Equity Accounts

### Debit and Credit

- Mechanics of Double-Entry Accounting
- Recording Changes in Assets, Liabilities, and Owners' Equity
- Recording Changes in Revenues and Expenses
- Recording Owner's Withdrawals
- Determining Account Balances
- Normal Balances

### General Ledger

### Journalizing

- Standard Account Forms
- Posting
- The Trial Balance
- Compound Journal Entries

Comprehensive Illustration—Journalizing, Posting, and Preparing a Trial Balance

## Competencies

1. Explain the functions of accounts and T-accounts, and classify accounts into the major account categories. (pp. 41–44)
2. Define the terms *debit* and *credit*, explain the basis of the double-entry accounting system, and identify the normal balances of commonly used accounts. (pp. 44–49)
3. Define *general ledger*, distinguish between balance sheet and nominal accounts, and describe the relationship between general ledger accounts and the chart of accounts. (pp. 49–50)
4. Demonstrate how to journalize and post accounting entries, and prepare a trial balance for accounts. (pp. 50–67)