**Ledger accounting**

Each ledger account is presented as follows:

Date of the transaction Ledger account of opposite entry Amount of the transaction

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| DEBIT | | | CREDIT | | |
| Date | Ledger account | Amount  £ | Date | Ledger account | Amount  £ |
|  |  |  |  |  |  |

**Dual effects**

In order to identify the correct dual effect of a financial transaction, the acronyms **DEAD** and **CLIC** are usedas a prompt to determine which transactions are considered debits and which are credits:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| DEBIT | | | CREDIT | | |
| Date | Ledger account | Amount  £ | Date | Ledger account | Amount  £ |
|  | **D**EBITS reflect an **INCREASE** in:  **Expenses**  Purchases (goods for resale)  Electricity  Stationery  Discounts allowed  Staff wages  **Assets**  Bank and cash  Trade receivables (SLCA)  Land and buildings  Plant and machinery  **Drawings**  Cash or goods taken out of the organisation by the OWNER. |  |  | **C**REDITS reflect an **INCREASE** in:  **Liabilities**  Bank overdraft  Bank loan  Trade payables (PLCA)  VAT liability  **Income**  Sales  Rent received  Discounts received  Commissions received  **Capital**  Amounts input into the organisation by the OWNER. |  |