

GOLDEN RULES of ACCOUNTING

1. Real Accounts

Debit

What comes in

Credit

What goes out

Applicable to

This rule is applicable to all Assets of the business viz. –

- Cash
- Land & Building
- Plant & Machinery
- Furnitures & Fixtures
- Trade marks etc.

2. Personal Accounts

The Receiver

The Giver

This rule is applicable to Persons, Artificial persons & Representative persons viz.

- Kishore
- M/s. Suri & Sons
- Zimmer Store
- Bank A/c (SBI)
- Outstanding Salary
- Prepaid Expenses etc.

3. Nominal Accounts

All Expenses & Losses

All Income & Profit

This rule is applicable to all Expenses, Income & Losses / Profits viz. –

- Salary
- Wages
- Purchases
- Sales
- Commissions Received etc.