

# Accounting Lesson #2

Date: April 7, 2020

## **Bell Ringer Question:**

Give an example of an account in each classification - Asset, Liability and Owner's equity.

### Learning Objectives:

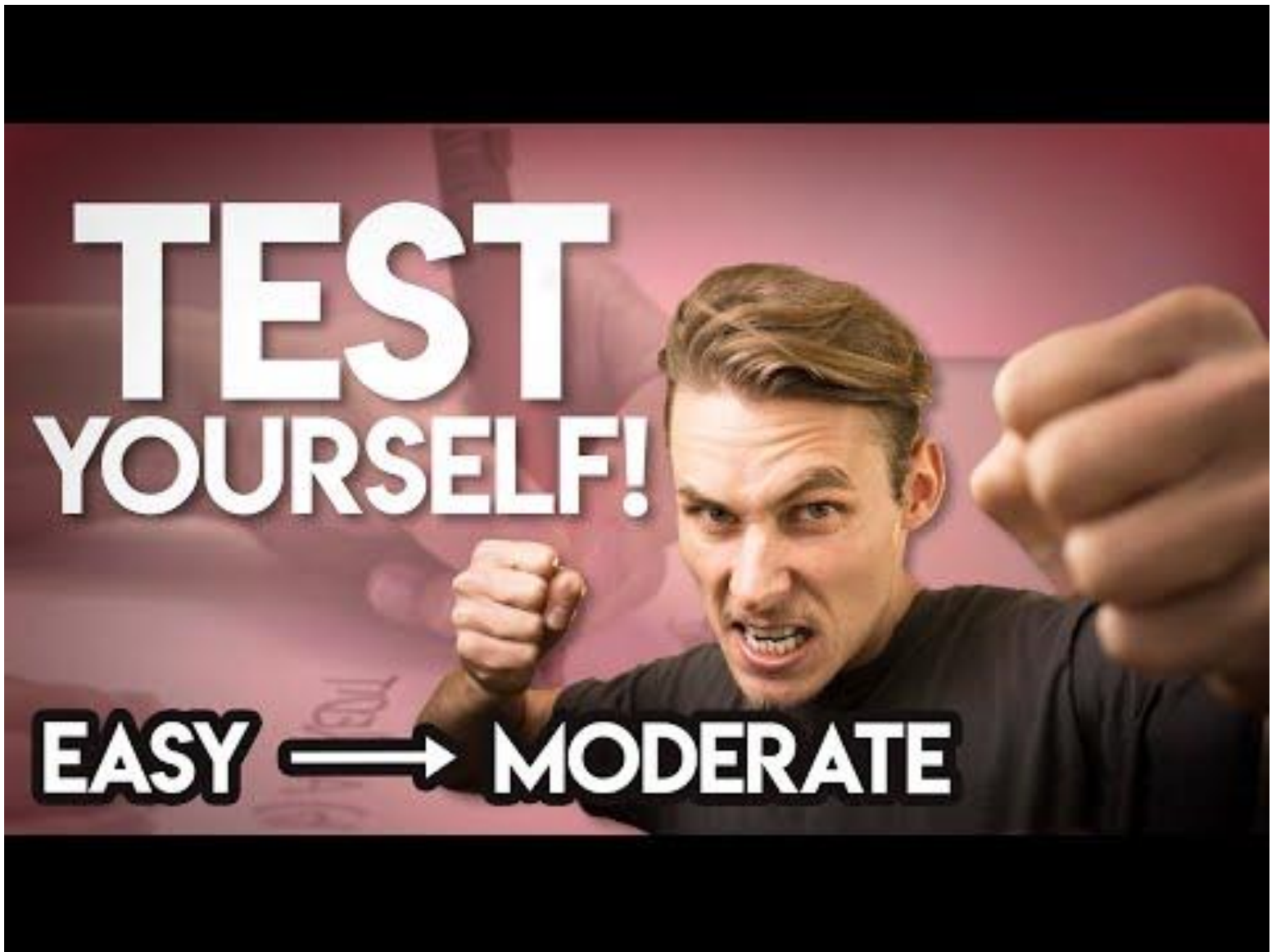
1. Classify accounts into Debit/Credit
2. Determine "Normal Balance" of accounts
3. Determine how accounts increase/decrease

1. Watch the following [video](#) that review and expands on the concepts of debits and credits.



<https://youtu.be/VhwZ9t2b3Zk>

2. Watch the following [video](https://youtu.be/yCOZ7aylC0c) (<https://youtu.be/yCOZ7aylC0c>) and follow along with his examples. Take notes, writing it down helps you remember it!



3. Complete the worksheet on the next page. You can put your answers in a google doc and share with me.

## ***Account Classifications & Normal Balances***

(For all responses, put your answer on the line provided.)

For questions 1 through 10 use the following: [A] Asset..[L] Liability..[OE] Owner's Equity

### **CLASSIFY THE FOLLOWING ACCOUNTS:**

- |                        |                      |
|------------------------|----------------------|
| 1. Accounts Receivable | 6. Prepaid Insurance |
| 2. Owner's Capital     | 7. Rent Expense      |
| 3. Utilities Expense   | 8. Cash              |
| 4. Accounts Payable    | 9. Sales             |
| 5. Supplies            | 10. Owner's Drawing  |

For questions 11 through 30 put a "D" for debit or a "C" for credit.

### **WHAT IS THE NORMAL BALANCE FOR THE FOLLOWING ACCOUNTS?**

- |                         |                       |
|-------------------------|-----------------------|
| 11. Cash                | 15. Owner's Drawing   |
| 12. Accounts Payable    | 16. Sales             |
| 13. Owner's Capital     | 17. Prepaid Insurance |
| 14. Accounts Receivable | 18. Supplies          |

### **WHAT WOULD IT TAKE TO DECREASE THE FOLLOWING ACCOUNTS? Place a DR for debit or CR for credit.**

- |                         |                      |
|-------------------------|----------------------|
| 19. Cash                | 25. Owner's Drawing  |
| 20. Owner's Capital     | 26. Supplies         |
| 23. Accounts Receivable | 27. Accounts Payable |
| 24. Prepaid Insurance   | 28. Sales            |