

JAIIB



Accounting & Financial Management for Bankers

Module A : Chapter 3 **Concepts of Debit & Credit**



www.courses.edutap.co.in



hello@edutap.co.in



+91 8146207241

WE ALREADY LEARNT...

ECONOMIC TRANSACTIONS involve 'Exchange of things/services (लेन/देन)

DOUBLE ENTRY BOOK KEEPING = Every transaction impacts two or more accounts.

Economic transactions are first recorded in Journal through Journalising.

Journal Entries are posted to Ledger Accounts, i.e. accounts of concerned parties.



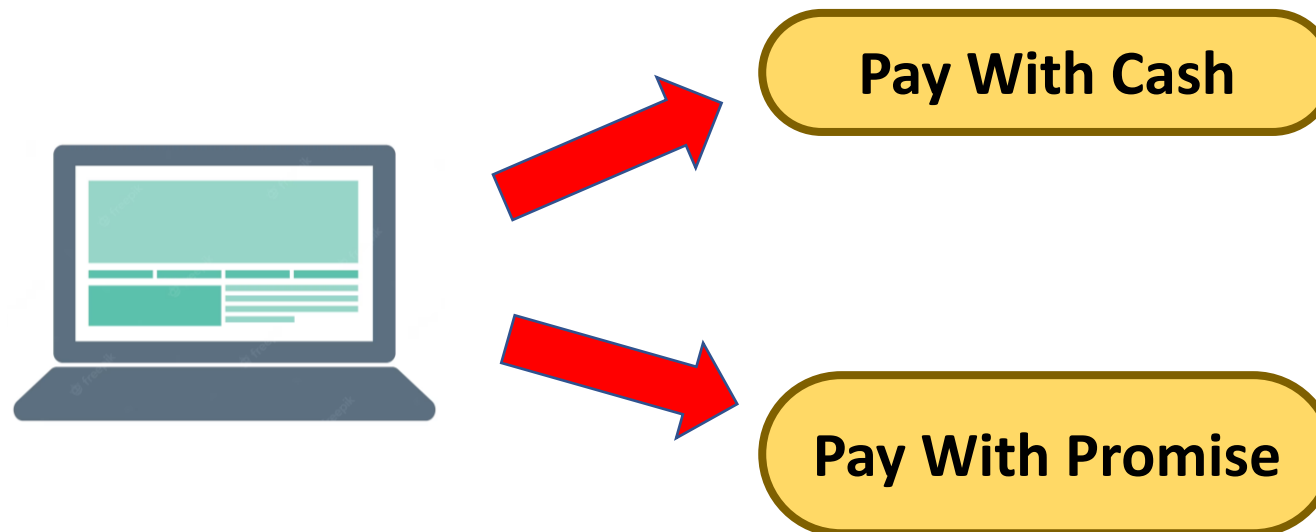
WHAT IS DEBIT & CREDIT?

WHAT IS BEING EXCHANGED?

WHAT IS MEDIUM OF EXCHANGE?

WHICH PARTIES ARE INVOLVED IN EXCHANGE?

Two fold impact is recorded in accounts as 'Debit' and 'Credit'.



WHAT IS DEBIT & CREDIT?

Real Account

Debit (Dr.) / लेन

Credit (Cr.) / देन



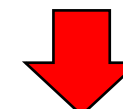
Debit the Increase



Credit the Decrease



Debit What Comes In



Credit What Goes Out



WHAT IS DEBIT & CREDIT?

Personal Account

Debit (Dr.) / लेन

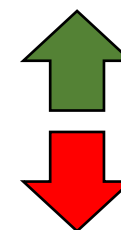
Credit (Cr.) / देन



Creditors / Debtors



Bank



Debit the Receiver

Credit the Giver

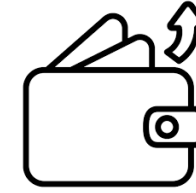


WHAT IS DEBIT & CREDIT?

Nominal Account

Debit (Dr.) / लेन

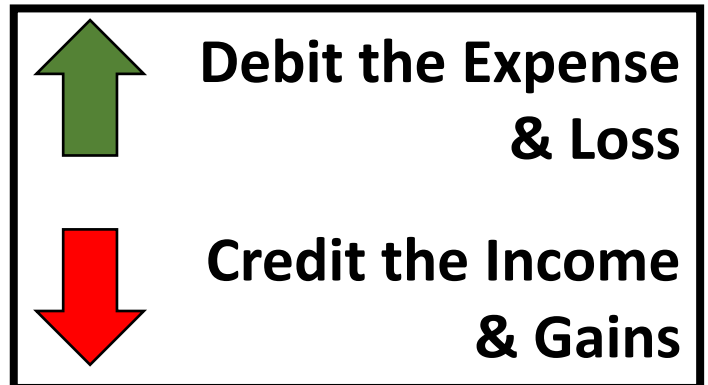
Credit (Cr.) / देन



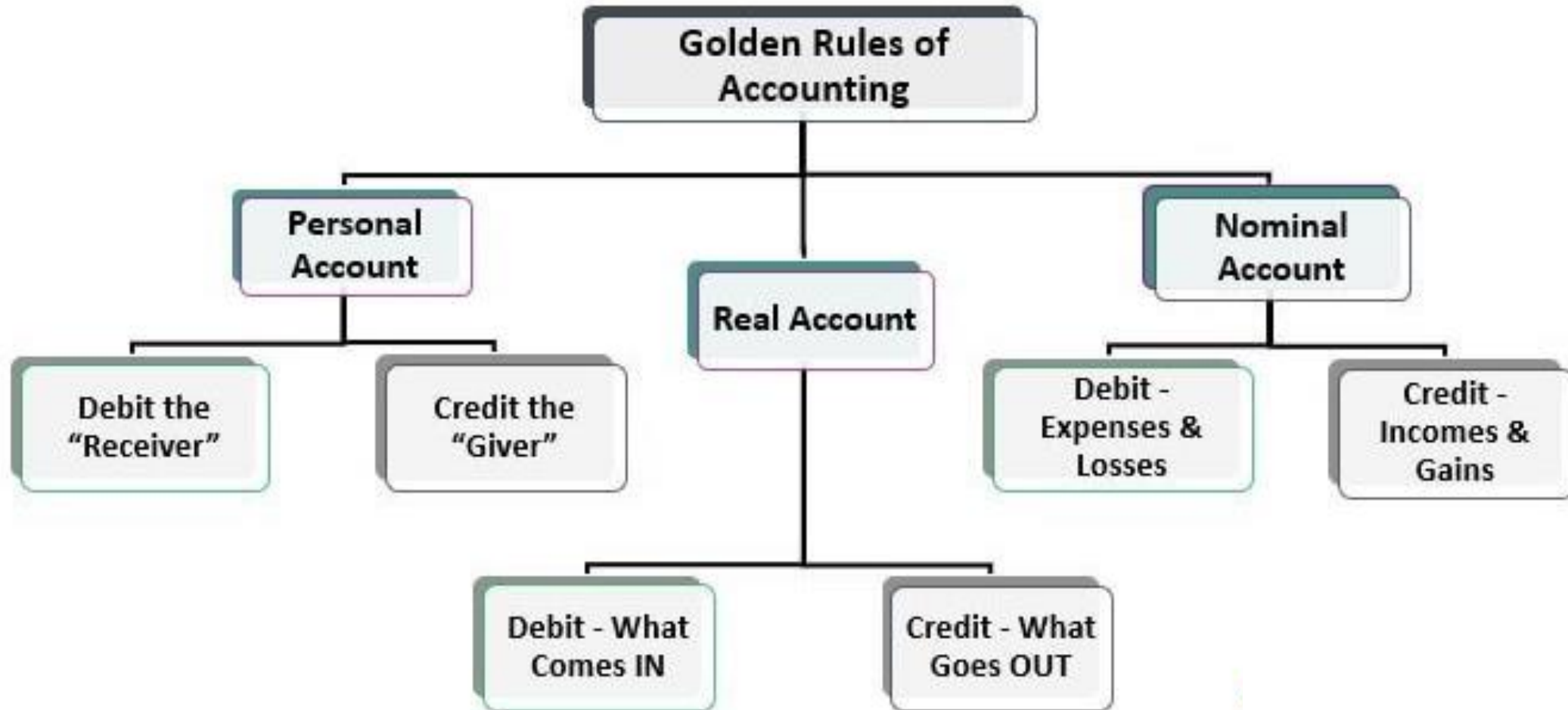
Expense / Loss



Income / Gain



WHAT IS DEBIT & CREDIT?



LET'S SOLVE

Ram purchased furniture for ₹1 lakh in cash for office use.

Debit the Furniture A/c & Credit the Cash A/c

Rohit started business with cash ₹5,00,000

Debit the Cash A/c & Credit the Capital A/c

Bought Machinery for ₹1lakh from Automata Ltd. & cash paid ₹50,000

Debit the Machinery A/c & Credit the Automata A/c & Cash A/c

Sold Goods on credit to Amrit worth ₹20,000.

Debit the Amrit A/c & Credit the Sales A/c

Thank You

For More Info Contact us:



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