

CHEAT SHEET

FREE INTRODUCTORY CRASH
COURSE IN ACCOUNTING
(1 HOUR)

LEARN
ACCOUNTING WITH INDY
MASTERING FINANCIAL NUMBERS

Five Main Accounts?

Assets – Future Benefit – DR

Liabilities – Future Obligation – CR

Shareholders' Equity – Ownership Stake – CR

Revenues – Income Earned – CR

Expenses – Costs Incurred, Consumed or
Used – DR

The Four Financial Statements?

Income Statement: Revenues –
Expenses = Net Income

Statement of Changes in Equity:
Changes in Common Shares and
Retained Earnings

Balance Sheet: Assets = Liabilities +
Shareholders Equity

Statement of Cash Flows: Cash
inflow and outflows in Operating,
Investing and Financing Activities

The Accounting Cycle?

Step 1: Analyze the Transactions

Step 2: Journalize the Transactions

Step 3: Update the T-Accounts

**Step 4: Prepare the Unadjusted Trial
Balance**

Step 5: Journalize the Adjusting Entries

Step 6: Prepare the Adjusted Trial Balance

**Step 7: Prepare the Four Financial
Statements**

Step 8: Journalize the Closing Entries

**Step 9: Prepare the Post-Closing Trial
Balance**

The Main Accounting Equation?

Assets = Liabilities + Shareholders Equity

DR = CR + CR

The T-Accounts?

Assets			Liabilities			Shareholders Equity	
DR	CR		DR	CR		DR	CR
Increases	Decreases		Decreases	Increases		Decreases	Increases

Revenues			Expenses	
DR	CR		DR	CR
Decrease	Increases		Increases	Decreases