



AAT

Principles of Bookkeeping Controls

Pocket Notes

These Pocket Notes support study for the following AAT qualifications:

AAT Level 2 Certificate in Accounting

AAT Level 2 Certificate in Bookkeeping

AAT Certificate in Accounting at SCQF Level 6

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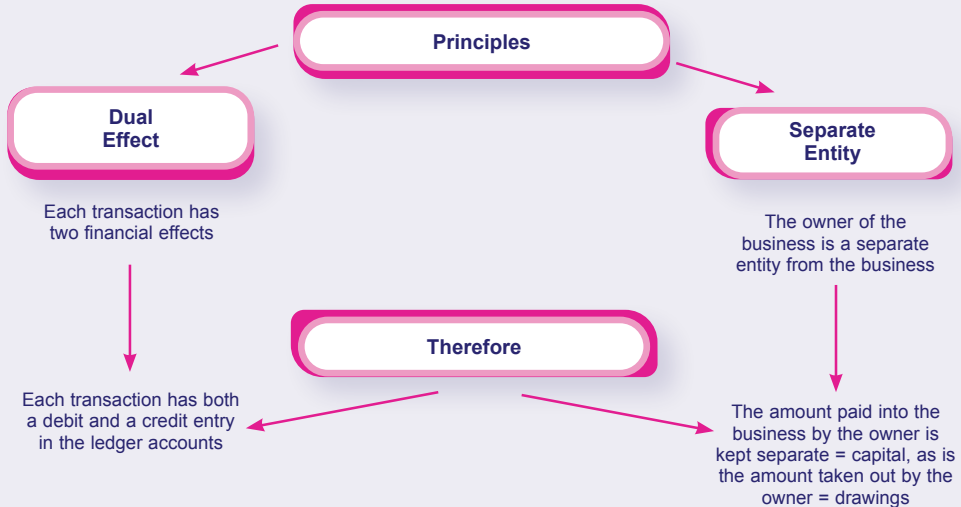
chapter

1

Double entry bookkeeping

- Principles of double entry bookkeeping.
- Accounting equation.
- Ledger accounts.
- General rules of double entry bookkeeping.
- Accounting for cash transactions.
- Accounting for credit transactions.
- Balancing ledger accounts.
- Preparing a trial balance.

Principles of double entry bookkeeping



Ledger accounts

Typical ledger account:

Title of account					
Date	Narrative	£	Date	Narrative	£
Debit side			Credit side		
		x			x

The dual effect means that every transaction is recorded as a debit in one account and a credit in another account.

Key question – which account is the debit entry to and which account is the credit entry to?

General rules of double entry bookkeeping

Ledger account	
Debit	Credit
Money in	Money out
Increase in asset	Increase in liability
Decrease in liability	Decrease in asset
Increase in expense	Increase in income



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