**North East School Division**

**Unpacking Outcomes** - Module 4: T-accounts (Core)

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| **Unpacking the Outcome** | | |
| Utilize --> transactions  Apply --> t-accounts | | |
| **Outcome**(circle the verb and underline the qualifiers) | | |
| Utilize transactions and apply T-accounts in order to understand the concept of an account. | | |
| **KNOW** | **UNDERSTAND** | **BE ABLE TO DO** |
| Vocabulary:   * T-Account * Debit * Credit * Drawings * Revenue * Expenses * Ledger * Normal Balance * Double-Entry Accounting * Trial Balance | That   * Debit = Left, Credit = Right * Total Debits must equal total Credits - maintaining balance is essential * How to identify the normal balance of an account using the accounting equation. * How to Increase or decrease the balance of a T-account * How to calculate the final balance of a T-account * How to prove that total debits = total credits [Trial Balance] * How to analyze transactions into debit and credit parts.   + Every business transaction affects at least two accounts (1 DR and 1 CR minimum) * Drawings, Revenue and Expenses are part of the capital account. * A T-account represents one element of the accounting equation | 1. Relate the left and right of the T-account location to the accounting equation. 2. Label debit (left) and credit (right) as left and right of the T-account location. 3. Identify the location (l/r) of the elements (i.e., assets, liabilities, owners’ equity) of the accounting equation and how those elements correlate to the normal balance of an account. 4. Implement the use of normal balance in each sub-element of owners’ equity (i.e., capital [CR], drawings [DR], revenue [CR] and expenses [DR]). 5. Interpret how the normal balance side of a T-account relates to the increase and decrease of an account balance. 6. Recognize and apply the concept of double entry accounting by assigning the amounts of a transaction into one debit and one credit part. 7. Analyze transactions into debits and credits using a pair of T-accounts. 8. h. Analyze a full set of business transactions and record in a ledger of T-accounts. 9. Calculate the final balance of a T-account. 10. Prove equality between normal debit balances and normal credit balances by totaling accounts to confirm the accounting equation. 11. Discuss how capital, drawings, revenue and expenses relate to owners’ equity. |
| **ESSENTIAL QUESTIONS** | | |
| What is the purpose of a T-Account?  How do we maintain balance using a T-account?  How do we determine which accounts to Debit/Credit?  Can you set-up a T-account ledger? | | |