STUDENT SUCCESS CENTER
THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

Accounting Tips

Types of Accounts to Debit and Credit

D - Debits
E - Expenses
A - Assets
D - Dividends

C - Credits
R - Revenues
L - Liabilities
S - Stockholders Equity

- Expenses – Money owed for something used (i.e. Utilities expense, supplies expense)
- Assets – Something that can be turned into cash (i.e. Cash, supplies, prepaid insurance)
- Dividends – Money paid to stockholders
- Revenues – Money earned from services, products or interest
- Liabilities – Money owed (i.e. Accounts payable, interest payable)
- Stockholders Equity – Consisting of common stock and retained earnings

Accruals

- **A**ction before Dollars
- The **Action** occurs before money exchanged

Examples:

- Eating at a restaurant – Eat before paying
- Utilities expense – The use of the utilities determines the amount billed
- Interest Revenue – Collected only after it is accrued

Deferrals

- **D**ollars before Action
- The **Dollars** are exchanged before the action

Examples:

- Ordering online – Payment is made prior to shipment of product
- Prepaid insurance – Insurance premiums are paid in advance
- Unearned service revenue – Customer pays prior to services rendered

For more information on accounting tips, make an appointment with a content tutor. Appointments are available in person at the Student Success Center or online.