SHS LEARNING ACTIVITY

Name: _____ **Score/Mark:** _____
Grade and Section: _____ **Date:** _____
Strand: ☐ STEM ☐ ABM ☐ HUMSS ☐ ICT (*TVL Track*)
Subject: *Fundamentals of ABM 1*
Type of Activity ☐ Concept Notes ☐ Skills: Exercise / Drill ☐ Illustration
☐ Laboratory Report ☐ Essay/Task Report ☐ Others: _____

Activity Title: **LA-19. The Account**
Learning Target: To define the account and identify its parts
References: *(Author, Title, Pages)*
1) Hinayon, et al., Fundamentals of Accounting, p. 77
2) Q. J. Abcede, CVIF Learning Activities

The **account** is the basic summary device of accounting. For each element of the financial statements (assets, liabilities, equity, income, and expenses), separate accounts are maintained. An account records the increases, decreases, and balance of each element.

Figure 1

Account Title	
Debit (left side)	Credit (right side)

In Figure 1, debit represents the left side of an account and credit represents the right side. Usually, basic accounting students and non-accountants think that to debit means to increase while to credit means to decrease. In our succeeding lessons, we will find out that this is not always the case.

To present the basic accounting equation (Assets = Liabilities + Equity) inside the account, we have the following:

Figure 2

Account Title	
Assets	Liabilities and Equity

Exercise:

Using Figure 2, what do you think is the relationship between the basic accounting equation and the parts of the account (debit and credit sides)? Discuss briefly.