Debits & Credits Cheat Sheet

Master the foundation of double-entry bookkeeping with the DEALER method

Every transaction touches at least two accounts, and total debits must always equal total credits. The trick is knowing which side **increases** each account. Use the mnemonic **DEALER**.

Letter	Account type	Normal balance	Increase with	Decrease with
D	Dividends / Draws	Debit	Debit	Credit
E	Expenses	Debit	Debit	Credit
A	Assets	Debit	Debit	Credit
L	Liabilities	Credit	Credit	Debit
E	Equity	Credit	Credit	Debit
R	Revenue	Credit	Credit	Debit

***DEA** accounts go up on the **Debit** side. **LER** accounts go up on the **Credit** side.*

The accounting equation

Assets = Liabilities + Equity

Expanded: Assets = Liabilities + (Common Stock + Retained Earnings + Revenue - Expenses - Dividends)

Worked examples

Transaction	Debit	Credit
Owner invests $5,000 cash	Cash 5,000	Common Stock 5,000
Buy supplies on account $300	Supplies 300	Accounts Payable 300
Provide service for $1,200 cash	Cash 1,200	Service Revenue 1,200
Pay $800 rent expense	Rent Expense 800	Cash 800
Pay supplier the $300 owed	Accounts Payable 300	Cash 300

***Quick check:** after every entry, add your debits and your credits separately - if they don't match, the entry is wrong before it ever hits the ledger.*