

Classification of Accounts

Account Title	Account Classification	Normal Balance	Financial Statement
Accounts Payable	Current liability	Credit	Balance sheet
Accounts Receivable	Current asset	Debit	Balance sheet
Accumulated Depreciation	Plant asset	Credit	Balance sheet
Accumulated Depletion	Plant asset	Credit	Balance sheet
Advertising Expense	Operating expense	Debit	Income statement
Allowance for Doubtful Accounts	Current asset	Credit	Balance sheet
Amortization Expense	Operating expense	Debit	Income statement
Appropriation for_____	Stockholders equity	Credit	Retained earnings statement/ Balance sheet
Bonds Payable	Long term liability	Credit	Balance sheet
Building	Plant asset	Debit	Balance sheet
_____Capital	Owners equity	Credit	Statement of owner's equity/ Balance sheet
Capital Stock	Stockholders equity	Credit	Balance sheet
Cash	Current asset	Debit	Balance sheet
Cash Dividends	Stockholders' equity	Debit	Retained earnings statement
Cash Dividends Payable	Current liability	Credit	Balance sheet
Common Stock	Stockholders' equity	Credit	Balance sheet
Cost of Merchandise (Goods) Sold	Cost of merchandise(goods sold)	Debit	Income statement

Deferred Income Tax	Current Liability/Long term liability	Credit	Balance sheet
Depletion Expense	Operating expense	Debit	Income statement
Discount on Bonds Payable	Long term liability	Debit	Balance sheet
Dividend Income	Other income	Credit	Income statement
Dividends	Stockholders' equity	Debit	Retained earnings statement
Donated Capital	Stockholders' equity	Credit	Balance sheet
Employees Federal Income Tax Payable	Current liability	Credit	Balance sheet
Equipment	Plant asset	Debit	Balance sheet
Exchange Gain	Other income	Credit	Income statement
Exchange Loss	Other expense	Debit	Income statement
Factory/Overhead (Overapplied)	Deferred credit	Credit	Balance sheet (interim)
Factory Overhead (Underapplied)	Deferred debit	Debit	Balance sheet (interim)
Federal Income Tax Payable	Current liability	Credit	Balance sheet
Federal Unemployment Tax Payable	Current liability	Credit	Balance sheet
FICA Tax Payable	Current liability	Credit	Balance sheet
Finished Goods	Current asset	Debit	Balance sheet
Gain on Disposal of Plant Assets	Other income	Credit	Income statement
Gain on Redemption of Bonds	Extraordinary item	Credit	Income statement
Gain on Sale of Investments	Other income	Credit	Income statement
Goodwill	Intangible asset	Debit	Balance sheet
Income Tax	Income tax	Debit	Income statement
Income Tax Payable	Current liability	Credit	Balance sheet

Insurance Expense	Operating expense	Debit	Income statement
Interest Expense	Other expense	Debit	Income statement
Interest Income	Other income	Credit	Income statement
Interest Receivable	Current asset	Debit	Balance sheet
Investment in Bonds	Investment	Debit	Balance sheet
Investment in Stocks	Investment	Debit	Balance sheet
Investment in Subsidiary	Investment	Debit	Balance sheet
Land	Plant asset	Debit	Balance sheet
Loss on Disposal of Plant Assets	Other expense	Debit	Income statement
Loss on Redemption Bonds	Extraordinary item	Debit	Income statement
Loss on Sale of Investments	Other expense	Debit	Income statement
Marketable Securities	Current assets	Debit	Balance sheet
Materials	Current asset	Debit	Balance sheet
Merchandise Inventory	Current asset/Cost of merchandise sold	Debit	Balance sheet/Income statement
Notes Payable	Current liability/Long- term liability	Credit	Balance sheet
Notes Receivable	Current asset/Investment	Debit	Balance sheet
Organization Costs	Intangible asset	Debit	Balance sheet
Patents	Intangible asset	Debit	Balance sheet
Paid-In Capital from Sale of Treasury Stock	Stockholders' equity	Credit	Balance sheet
Paid-In Capital in Excess of Par (Stated Value)	Stockholders' equity	Credit	Balance sheet
Payroll Tax Expense	Operating expense	Debit	Income statement
Pension Expense	Operating expense	Debit	Income statement

Petty Cash	Current asset	Debit	Balance sheet
Premium on Bonds Payable	Long-term liability	Credit	Balance sheet
Prepaid Insurance	Current asset	Debit	Balance sheet
Prepaid Rent	Current asset	Debit	Balance sheet
Preferred Stock	Stockholders' equity	Credit	Balance sheet
Purchases	Cost of Merchandise sold	Debit	Income statement
Purchases Discounts	Cost of merchandise sold	Credit	Income statement
Purchases Returns and Allowances	Cost of merchandise sold	Credit	Income statement
Rent Expense	Operating expense	Debit	Income statement
Rent Income	Other income	Credit	Income statement
Retained Earnings	Shareholders' equity	Credit	Balance sheet/Retained earnings statement
Salaries Expense	Operating expense	Debit	Income statement
Salaries Payable	Current liability	Credit	Balance sheet
Sales	Revenue from sales	Credit	Income statement
Sales Discounts	Revenue from sales	Debit	Income statement
Sales Returns and Allowances	Revenue from sales	Debit	Income statement
Sales Tax Payable	Current liability	Credit	Balance sheet
Sinking Fund Cash	Investment	Debit	Balance sheet
Sinking Fund Investments	Investment	Debit	Balance sheet
State Unemployment Tax Payable	Current liability	Credit	Balance sheet
Stock Dividends	Stockholders' equity	Debit	Retained earnings statement
Stock Dividends Distributable	Stockholders' equity	Credit	Balance sheet
Supplies	Current Asset	Debit	Balance sheet

Supplies Expense	Operating expense	Debit	Income statement
Transportation In	Cost of merchandise sold	Debit	Income statement
Treasury Stock	Stockholders' equity	Debit	Balance sheet
Uncollectible Accounts Expense	Operating expense	Debit	Income statement
Unearned Rent	Current liability	Credit	Balance sheet
Utilities Expense	Operating expense	Debit	Income statement
Vacation Pay Expense	Operating expense	Debit	Income statement
Vacation Pay Payable	Current liability/Long- term liability	Credit	Balance sheet
Work in Process	Current asset	Debit	Balance sheet