

**ACCOUNTANCY · CHAPTER 3**

# Recording of Transactions – I

A 1-page guide for parents · 90-second read.

**EXPECTED MARKS**

**8-12 out of the marks  
this chapter carries.  
Procedural marks are  
very gettable with daily  
practice — accuracy and  
the narration are what  
separate full marks from  
partial.**

**TIME TO MASTER****8-10 hrs****HELPLINE****70330 05444****WHAT THIS CHAPTER IS, IN PLAIN ENGLISH**

This is the chapter where your child starts to actually 'do' accounting rather than just learn definitions. It teaches the accounting equation (a business's Assets always equal what it Owes plus the Owner's money), the rules for deciding whether each account is 'debited' or 'credited', and how to write a JOURNAL entry — the first formal record of every business deal. The big idea is double-entry: every transaction has two equal sides, so the books always balance. There is real practice here: given a list of deals (the owner puts in money, buys goods, sells on credit, pays rent), your child must write the correct two-sided entries. Getting this skill solid is essential, because every chapter for the next two years builds on the journal entry.

**5 QUESTIONS TO ASK YOUR CHILD**

- What is the accounting equation, and why must it always balance?
- Does 'debit' always mean a decrease? (Trick question — it depends on the account type.)
- When the owner brings in money, is Capital debited or credited — and why?
- What is the difference between a journal entry's narration and the entry itself?
- How is trade discount treated in the journal — recorded or not?

**WEAK-SPOT INDICATORS**

- Thinks debit always means decrease and credit always means increase.
- Debits Capital when the owner invests money (it should be credited).
- Forgets to write the narration under each entry.
- Records a journal entry where the debit and credit totals don't match.
- Routes the purchase of a machine through the 'Purchases' account.

**WHEN TO WORRY — AND WHAT TO DO**

This is a make-or-break procedural chapter. If your child cannot reliably produce a balanced journal entry or keeps reversing capital and drawings, the difficulty will snowball through Ledger, Trial Balance and Final Accounts. Regular short practice — five fresh entries a day — fixes it fast. Persistent confusion about debit/credit by account type is the signal to get help early.

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