

<i>3 Golden Rules of Accounting</i>	Real Account	Personal Account	Nominal Account
Debit >	What comes in	The Receiver	Expenses and Losses
Credit >	What goes out	The Giver	Incomes and Gains

Easy Interpretation of three golden rules of accounting

- **Real Account**

If the item (*real account*) is **coming into** the business then - Debit

If the item (*real account*) is **going out** of business then – Credit

- **Personal Account**

If the person (or) legal body (or) group **is receiving** something - Debit

If the person (or) legal body (or) group **is giving** something – Credit

- **Nominal Account**

If it is an **expense or loss** for the business - Debit

If it is an **income or gain** for the business - Credit