

## Trial Balance

The trial balance is used after the ledgers have been completed, to check the arithmetical accuracy of the ledgers in the double entry stage of the accounting system. The trial balance should show that the debit and credit side match if the ledgers have been completed correctly, in using DEAD CLIC.

	<b>A Traders Unadjusted Trial Balance Date 31 Dec 200X</b>	
<b>Account Name</b>	<b>Account Balance Debit</b>	<b>Credit</b>
	(\$)	(\$)
Cash in hand	4,500	
Cash at bank	3,700	
Accounts receivables	2,500	
Prepaid rent	1,500	
Furniture	2,700	
Machinery	4,000	
Land	5,000	
Supplies expenses	2,400	
Supplies inventory	200	
Advertisement expenses	1,200	
Salaries expenses	900	
Fee receivable	100	
Depreciation	150	
Bad debts expense	50	
Account payable		1,000
Notes payable		2,000
Accumulated depreciation		650
Allowances for bad debts		150
Bank borrowings		2,000
Capital		18,000
Revenue		3,900
Commission received		300
Un-earned commission		500
Salaries payable		400
<b>Total</b>	<b>28,900</b>	<b>28,900</b>

Business name and date.

Titles of each account in the ledgers.

Credit entries are recorded on the left, and Debit entries are recorded on the right.

All off the figures in the debit side are added together, and all of the figures on the credit side is added to give a total figure for both the debit and credit.

Both figures match at the end. If they don't then there is a mistake in the ledgers.

What the trial balance doesn't show.

CROPOC is an acronym finding errors that the trial balance won't show.

**Commission**- A transaction has been recorded in the wrong account.

**Reversal**- The accounts have been recorded on the wrong side.

**Omission**- The account wasn't recorded in the ledgers.

**Principle**- This is when a transaction has been recorded in the wrong type of account.

**Original**- This is when the wrong figures have been used in the ledgers.

**Compensation** - This is when two errors cancel each other out.