

Debits and Credits in my Trading Portfolio

Understanding debits and credits on my trades and on my account

My Portfolio/My Account

Debit	Trading Depot	Credit
Account reducing transactions Sign (+) Dr		Account growing transactions Sign (-) Cr

My Portfolio/My Account

Debit

- Account withdrawals
- Trading losses
- Purchase/Buy Transactions
 - Purchase of long or short positions (Buy to Open)
 - Position buybacks (Buy to Close)
- Transaction costs (e.g. fees)
- Position Fair Value Depreciation

Credit

- Deposits to account
- Trading gains
- Sell Transactions
 - Sell long or short positions (Short to Open)
 - Sell previously bought positions (Sell to Close)
- Interest
- Position Market Value Appreciation

Sample 1

Say we are bullish on Hanns Inc. Shares and so we bought shares of Hanns, Inc. for 850€ (Broker Fees: 5,00€). 3 days later we sold beyond our stop loss for 620€ (Broker Fees : 5,00€).

Transaction List (€)	
Purchase of sh.	850.00 Dr.
Fees	5.00 Dr.
Sale of sh.	-620.00 Cr.
Fees	5.00 Dr.
Net Dr(Cr)	240.00 Dr.

T-Account (€)	
850.00	
5.00	
	620.00
5.00	
860.00	620.00
240.00	



Sample 2

Say we sold Hanns Inc. options for a \$ 30 premium. Transaction fee involved was \$ 2,15. 20 days later we bought back the option at \$ 15 and paid fees of \$ 2,15.

Transaction List (\$)		T-Account \$	
Proceeds from optionwriting	- 30.00 Cr.		30.00
Fees	2.15 Dr.	2.15	
Buyback Price	15 Dr.	15.00	
Fees	2.15 Dr.	2.15	
Net -Cr./Dr.	- 10.70 Cr.	19.30	30.00
			10.70

