How do I know when to use capitals?

As a general rule, capitalize

- the first words of a sentence,
- the pronoun "I,"
- the names and initials of individuals,
- proper names,
- the days of the week,
- the major words of titles when immediately preceding a person’s name ("President Bush," for example) or when the title is used in direct address ("Mr. President") but not when the title stands alone ("the president"), and
- the first word and major words of the title of a work, as well as chapter titles.

You should also note that

When listing titles in bibliographies, the format may vary depending on the conventions that you use:

1. for example, The American Psychological Association (APA) requires that only the initial letter of the first word in a title be capitalized
2. The Modern Language Association (MLA), on the other hand, stipulates that initial letters of all key words be capitalized.

Generally speaking, the first letter of a quotation needs to be capitalized as well.

1. When quoting lines of poetry, make certain to quote the passage exactly as printed, including, if appropriate, capitalizing the first words of each line.