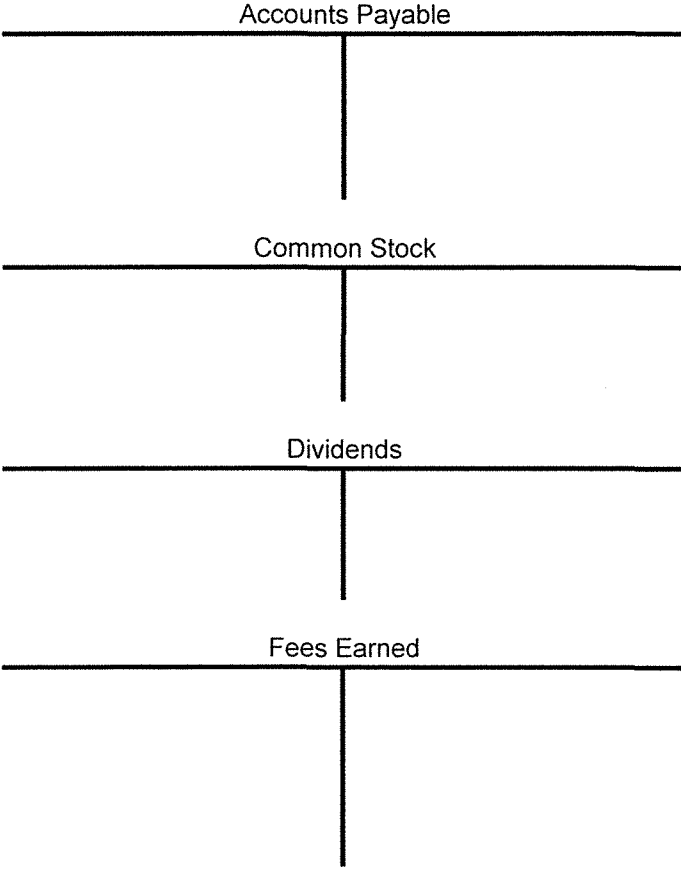
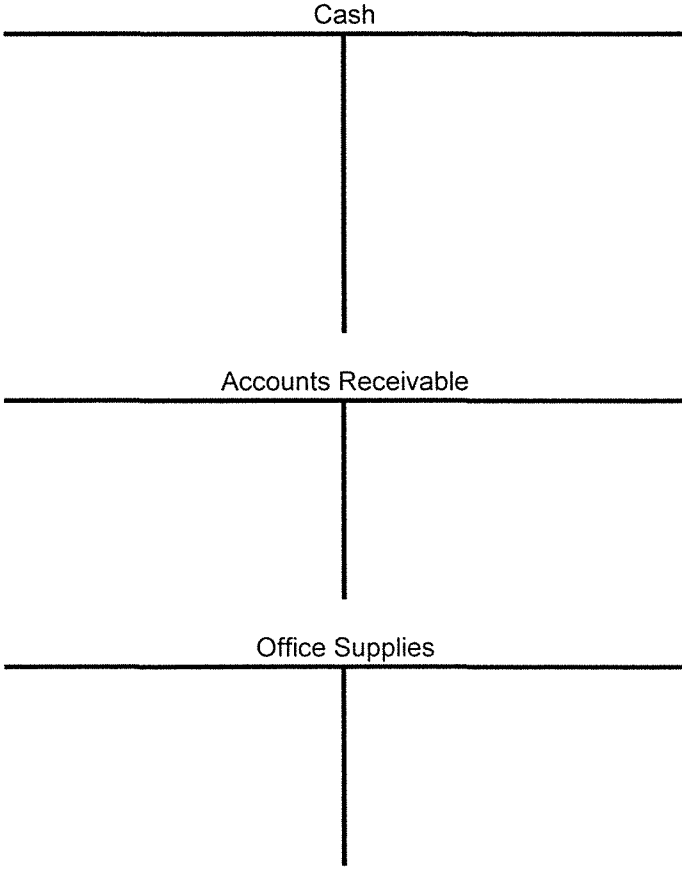


ACCT 101 - Chapter 2

- I. Debits vs. Credits
 - A. Debit = Left
 1. Assets, Dividends and Expenses increase with Debits
 - B. Credit = Right
 1. Liabilities, Capital, Retained Earnings and Revenue increase with Credits.
- II. Journal – Book of Original Entry
A chronological record of all transactions
 - A. Analyze the transaction. Ask yourself:
 1. What accounts are affected?
 2. By how much?
 3. Did each account increase or decrease?
 - B. Record the transaction in the journal
 1. Date
 2. Record the account(s) and amounts to be debited first
 3. Record the account(s) and amounts to be credited
 4. Write a brief description of the transaction
 - C. Debits MUST ALWAYS equal credits
 - D. Do not total the journal
 - E. Normal Balance
The normal balance of each account is on the side that makes it increase.
- III. Ledger – a complete record of the transactions recorded in an individual account.
 - A. Each account has its own ledger
 - B. Posting is the process of transferring the information from the journal to the ledger.
 - C. Has a running total of each account
- IV. Trial Balance – a proof of the equality of debits and credits
 - A. NOT a financial statement
 - B. All accounts are included on the Trial Balance listed in the order of: Assets, Liabilities, Equity, Revenue, Expense
 - C. Account balances come from the ledgers.
- V. Errors
 - A. Not all errors are discovered by the Trial Balance
 - B. Errors NOT discovered by the Trial Balance – see page 59
 - C. Errors that ARE discovered by the Trial Balance – see page 59
 - D. Materiality Concept
 - E. Transposition
 - F. Slide

Spade Company
May 31, 2023

Ex 2.13



General Journal

	DATE	DESCRIPTION	POST REF	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

General Journal

	DATE	DESCRIPTION	POST REF	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

General Journal

	DATE	DESCRIPTION	POST REF	DEBIT	CREDIT	
1						1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29
30						30
31						31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

Problem 2-3B

Cash

Acct. No. 101

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Accounts Receivable

Acct. No. 106

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Office Supplies

Acct. No. 124

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Prepaid Insurance

Acct. No. 128

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Prepaid Rent

Acct. No. 131

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Office Equipment

Acct. No. 163

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Accounts Payable

Acct. No. 201

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Common Stock

Acct. No. 307

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Dividends

Acct. No. 319

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Services Revenue

Acct. No. 403

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

Utilities Expense

Acct. No. 690

Date	Explanation	PR	Debit	Credit	Balance
Nov.					

