

## ACCT 100 - Chapter 4

So far we have spent a lot of time analyzing and recording transactions and learning the rules of debit and credit. We have recorded transactions in column form and in T-accounts. In this chapter we start recognizing transactions using formal accounting documents – the Journal and the Ledger. The ability to record a transaction using proper debits and credits represents the foundation of the accounting process.

To prepare a more professional looking and efficient record of the transactions, we have split the T-account into two different parts.

I. The General Journal – the very first place a transaction gets recorded.

A.

B.

C.

DO NOT total the columns in the journal

II. The General Ledger – each account has its own ledger that contains the detailed transactions for that individual account. The journal provides a great diary of the daily activities of a business but it does not have any totals or account balances.

A. Posting

C. Source Document

III. Trial Balance – the same as we prepared in Chapter 2. Now, however, we will get the balances for the Trial Balance from the General Ledger instead of the T-accounts.

A. What if the debits and credits don't equal?

1. Make sure you have put the balances in the correct debit or credit column. The accounts all should have normal balances.
2. Check the footings; Re-add the Trial Balance itself.
3. Find the difference between the debits and the credits.
  - a. if the difference is evenly divisible by 9, you most likely have made a:
    - 1.
    - 2.
  - b. look for a transaction equal to half the amount or double the amount.
  - c. If you still haven't found the error, go back and re-foot the ledger accounts and double-check the postings.

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



**EXERCISE 4.3 (continued)**

ACCOUNT Automobile

ACCOUNT NO. 139

DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20X1						
Sept.						

ACCOUNT Equipment

ACCOUNT NO. 141

DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20X1						
Sept.						

ACCOUNT Accounts Payable

ACCOUNT NO. 202

DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20X1						
Sept.						

ACCOUNT Marcus Martin, Capital

ACCOUNT NO. 301

DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20X1						
Sept.						

ACCOUNT Marcus Martin, Drawing

ACCOUNT NO. 302

DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20X1						
Sept.						

**EXERCISE 4.3 (continued)**

ACCOUNT Fee Income

ACCOUNT NO. 401

DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20X1						
Sept.						

ACCOUNT Telephone Expense

ACCOUNT NO. 517

DATE	DESCRIPTION	POST REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
20X1						
Sept.						

General Journal

Page \_\_\_\_\_

	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

General Journal

Page \_\_\_\_\_

	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

General Journal

Page \_\_\_\_\_

	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

General Journal

Page \_\_\_\_\_

	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

General Journal

Page \_\_\_\_\_

	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

General Journal

Page \_\_\_\_\_

	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