Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chapter 4 Notes

Posting to a General Ledger

**Section 4.1: Preparing a Chart of Accounts**

Chart of Accounts –

 Chart of Accounts

**Balance Sheet Accounts**

 (\_\_\_\_\_) ASSETS

 \_\_\_\_\_ Cash

 \_\_\_\_\_ Petty Cash

 \_\_\_\_\_ Accts. Rec.— Campus Internet Café

 \_\_\_\_\_ Accts. Rec.— Oakdale School

 \_\_\_\_\_ Supplies

 \_\_\_\_\_ Prepaid Insurance

 (\_\_\_\_\_) LIABILITIES

 \_\_\_\_\_ Accts. Pay.—Supply Depot

 \_\_\_\_\_ Accts. Pay.—Thomas Supply Company

 (\_\_\_\_\_) OWNER’S EQUITY

 \_\_\_\_\_ Kim Park, Capital

 \_\_\_\_\_ Kim Park, Drawing

 \_\_\_\_\_ Income Summary

**Income Statement Accounts**

 (\_\_\_\_\_) REVENUE

 \_\_\_\_\_ Sales

 (\_\_\_\_\_) EXPENSES

 \_\_\_\_\_ Advertising Expense

 \_\_\_\_\_ Insurance Expense

 \_\_\_\_\_ Miscellaneous Expense

 \_\_\_\_\_ Rent Expense

 \_\_\_\_\_ Supplies Expense

 \_\_\_\_\_ Utilities Expense

Account Number –

F\_\_\_\_\_\_\_\_\_\_ M\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – procedure for arranging accounts in a general ledger, assigning account numbers, and keeping records current

* use \_\_\_\_\_’s for ledger divisions
* use \_\_\_\_\_’s for accounts
* use \_\_\_\_\_’s for new accounts
* larger businesses might use \_\_\_\_-digit account numbers

Ledger –

G\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ L\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – ledger that contains all accounts needed to prepare financial statements



Account Form –

B\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ - R­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_ Account Form – has a debit and credit balance columns to keep an updated account balance

Opening an Account –



**Section 4.2: Posting Separate Amounts from a Journal to a General Ledger**

**and**

**Section 4.3: Posting Column Totals from a Journal to a General Ledger**

Posting –

* Two Rules of Posting
1. Separate amounts in a journal’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ amount columns are posted individually to the account written in the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ column.
2. Separate amounts in a journal’s \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ amount columns are *not* posted individually.
* The Purpose of the Post Ref. Columns:
	+ An entry in an account can be traced to its \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in a journal.
	+ An entry in a journal can be traced to where it was \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in an account.
	+ If posting is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the accounting personnel can easily see which entries in the journal still need to be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Practice!

A completed journal and general ledger accounts are given on the pages that follow. We will go through the following examples as a class.

Leonard Witkowski owns a service business that uses the following accounts.

 **Assets Owner’s Equity**

 110 Cash 310 Leonard Witkowski, Capital

 120 Accounts Receivable – Danielle Braastad 320 Leonard Witkowski, Drawing

 130 Supplies **Revenue**

 140 Prepaid Insurance 410 Sales

 **Liabilities Expenses**

 210 Accounts Payable – Joshua’s Supplies 510 Rent Expense

1. Section 4.2 Practice: Post the separate amounts (on each lines of the journal) that need to be posted individually.
2. Section 4.3 Practice: Post the journal’s special amount column totals.









**Section 4.4: Making Correcting Entries**

Correcting Entries –

* If an accounting error is discovered, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is prepared as the source document describing the correction to be made.

Practice!

A journal is given below. We will go through this example together.

1. Journalize each correcting entry discovered during November of the current year. Use page 21 of the journal.

 Nov. 1 Discovered that a transaction for supplies bought last month was journalized and posted in error as a debit to Prepaid Insurance instead of Supplies, $60. M15.

 1 Discovered that a transaction for rent expense for last month was journalized and posted in error as a debit to Repair Expense instead of Rent Expense, $550. M16.

