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

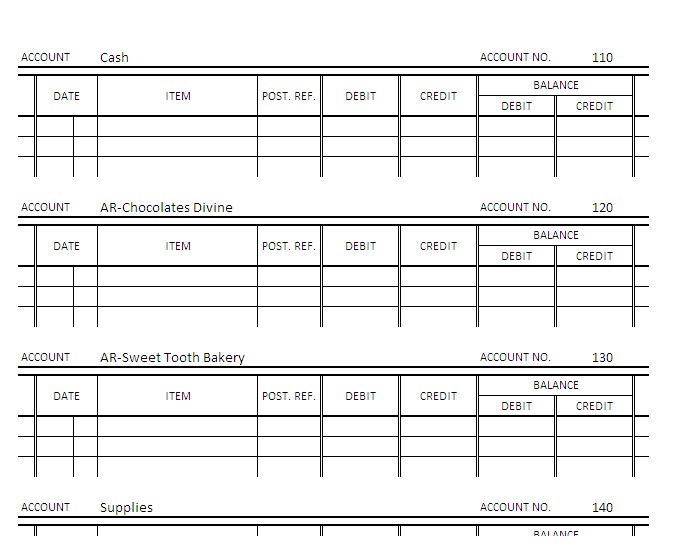
Account Number –

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 –

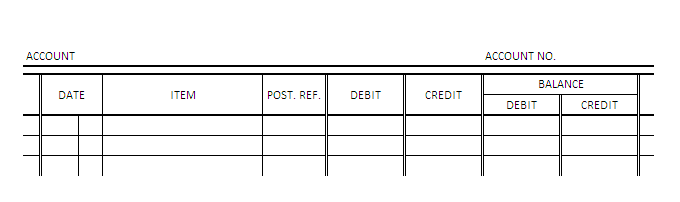
G\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ L\_\_\_\_\_\_\_\_\_\_\_\_\_\_ – ledger that contains all accounts needed to prepare financial statements



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

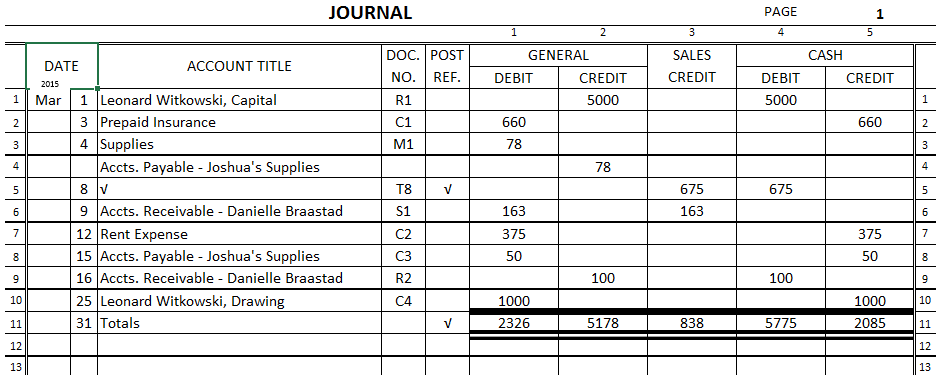
130 Supplies **Revenue**

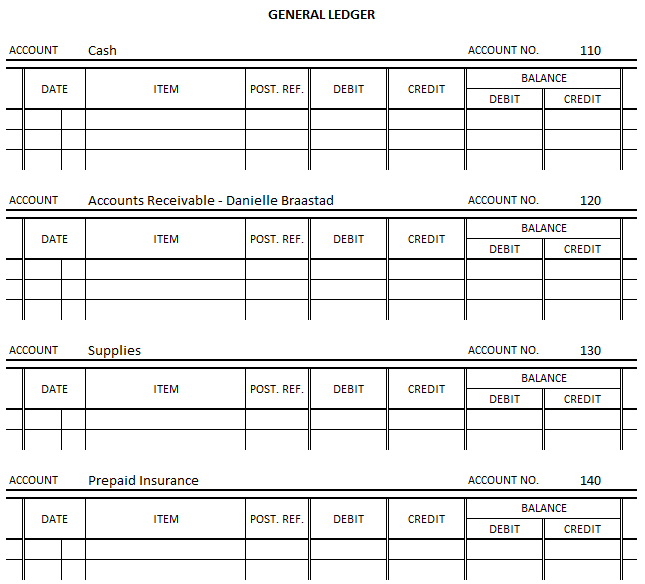
140 Prepaid Insurance 410 Sales

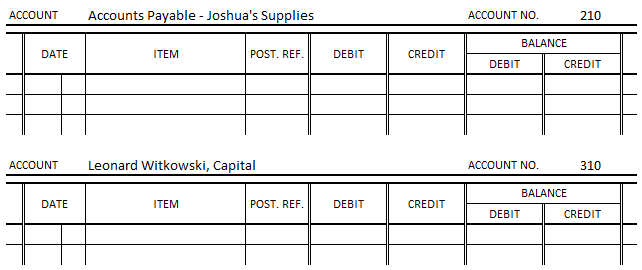
**Liabilities Expenses**

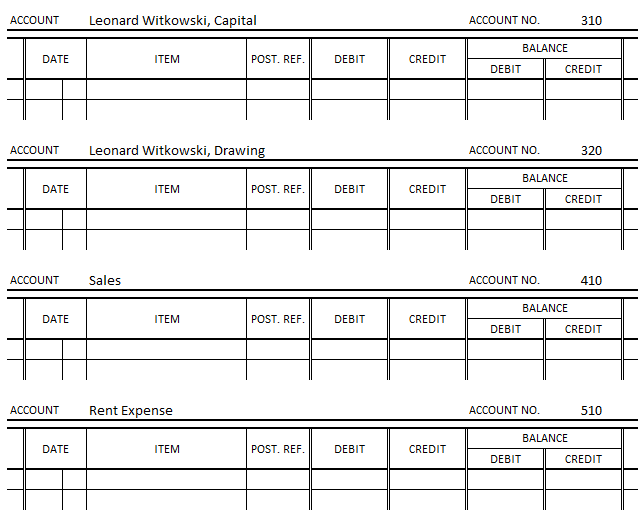
210 Accounts Payable – Joshua’s Supplies 510 Rent Expense

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.

