



PRINCIPLES OF ACCOUNTS

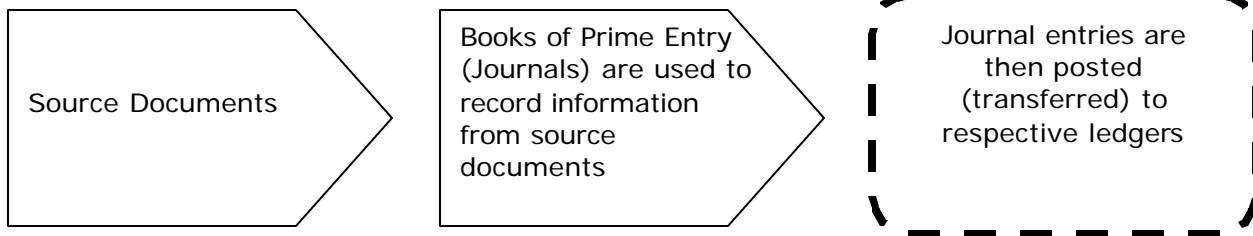
CHAPTER 6: POSTING FROM THE JOURNALS

Name: _____

Index No.: _____

Class: Sec 3 _____

Recapitulation:



What is "Ledger"?

A ledger is actually a collection of all the accounts of a business entity. There are 2 types of ledgers namely:

Subsidiary Ledger	General Ledger
<ul style="list-style-type: none"> <input type="checkbox"/> Sales or Debtors Ledger which consists of individual debtors' accounts <input type="checkbox"/> Purchases or Creditors Ledger which consists of individual creditors' accounts 	<ul style="list-style-type: none"> <input type="checkbox"/> Consists of accounts other than debtors' & creditors' accounts

There are 2 common account formats:

(a) 'T' account format

(b) Columnar account format

Dr	Name of Account	Cr

Date	Particulars	Dr	Cr	Balance



PRINCIPLES OF ACCOUNTS

CHAPTER 6: POSTING FROM THE JOURNALS

[A] Posting from Sales Journal:

Example 1: (from "Chapter 5: Journals" Worksheet – Example 1)

Five Stars Computer Company sold 1000 pieces of mouse pad to ABC Trading Company at S\$2.00 per piece. Due to a bulk purchase, Five Stars Computer Co. granted a 10% trade discount to ABC Trading Co. After the Sales Invoice was prepared, the accountant prepared the Sales Journal below.

Date	Particulars	Invoice No.	Details of Invoice	Total
2002 Mar 10	ABC Trading Co. Less: Trade Discount (10%)	FS-2002-0001	S\$ 2000.00 - 200.00	S\$ 1,800.00
Mar 31	Sales A/C (Cr)			<u>1,800.00</u>

Posting from the Sales Journal:

Debtors Ledger (Subsidiary)

Dr	ABC Trading Co	Cr

General Ledger

Dr	Sales	Cr



PRINCIPLES OF ACCOUNTS

CHAPTER 6: POSTING FROM THE JOURNALS

[B] Posting from Sales Returns Journal (Returns Inwards Journal)

Example 2: (from "Chapter 5: Journals" Worksheet – Example 2)

Upon receiving the goods, ABC Trading Company realized that 10 pieces of mouse pad are damaged & decided to return them to Five Stars Computer Company. After preparing the Credit Note, the accountant of Five Stars Computer Company recorded the transaction in the Sales Returns Journal (or Returns Inwards Journal).

Date	Particulars	Credit Note No.	Details of Credit Note	Total
2002 Mar 15	ABC Trading Co. Less: Trade Discount (10%)	FS-CR-10001	S\$ 20.00 - 2.00	S\$ 18.00
Mar 31	Sales Returns A/C (Dr)			<u>18.00</u>

Posting from the Sales Returns Journal:

Debtors Ledger (Subsidiary)

Dr	ABC Trading Co	Cr

General Ledger

Dr	Sales Returns	Cr



PRINCIPLES OF ACCOUNTS

CHAPTER 6: POSTING FROM THE JOURNALS

[C] Posting from Purchases Journal

Example 3: (from "Chapter 5: Journals" Worksheet – Example 3)

When the accountant of ABC Trading Company received the following Sales Invoice, he recorded the business transaction in the Purchases Journal as below:

Date	Particulars	Invoice No.	Details of Invoice	Total
2002 Mar 10	Five Stars Computer Co. Less: Trade Discount (10%)	FS-2002-0001	S\$ 2,000.00 - 200.00	S\$ 1,800.00
Mar 31	Purchases A/C (Dr)			<u>1,800.00</u>

Posting from the Purchases Journal:

Creditors Ledger (Subsidiary)

Dr	Five Stars Computer Co	Cr

General Ledger

Dr	Purchases	Cr



PRINCIPLES OF ACCOUNTS

CHAPTER 6: POSTING FROM THE JOURNALS

[D] Posting from Purchases Returns Journal (Returns Outwards Journal)

Example 4: (from "Chapter 5: Journals" Worksheet – Example 4)

Upon receiving the goods, ABC Trading Company realized that 5 pieces of mouse pad are damaged & decided to return them to Five Stars Computer Company. When the accountant of ABC Trading Company received a Credit Note from Five Stars Computer Co., he prepared the Purchase Returns Journal (or Returns Outwards Journal) below.

Date	Particulars	Credit Note No.	Details of Credit Note	Total
2002 Mar 15	Five Stars Computer Co. Less: Trade Discount (10%)	FS-CR-10001	S\$ 10.00 -1.00	S\$ 9.00
Mar 31	Purchases Returns A/C (Cr)			<u>9.00</u>

Posting from the Purchases Returns Journal:

Creditors Ledger (Subsidiary)

Dr	Five Stars Computer Co	Cr

General Ledger

Dr	Purchases Returns	Cr



PRINCIPLES OF ACCOUNTS

CHAPTER 6: POSTING FROM THE JOURNALS

[E] Posting from the General Journals:

Example 5:

On 1 August 2001, Mr. Kiasu commenced business with the following assets & liabilities.

	S\$
Cash at bank	25,000
Cash in hand	1,800
Stock	10,000
Delivery Van	28,000
Premises	80,000
Debtors	4,000
Creditors	12,300

<p><u>Calculate Capital:</u></p> <p style="margin-left: 20px;">Total Assets – Total Liabilities = S\$148,800 – S\$12,300 = S\$136,500</p>

Journal Entry:

GENERAL JOURNAL			
Date	Particulars	Debit	Credit
2001		S\$	S\$
Aug 1	Premises	80,000.00	
	Delivery Van	28,000.00	
	Stock	10,000.00	
	Debtors	4,000.00	
	Cash at bank	25,000.00	
	Cash in hand	1,800.00	
	Capital		148,800.00
		148,800.00	148,800.00
	(Being assets, liabilities, and capital on this date)		

Posting from the General Journal:

Dr	Premises A/C	Cr



PRINCIPLES OF ACCOUNTS

CHAPTER 6: POSTING FROM THE JOURNALS

Dr Motor Vehicle A/C Cr

Dr Debtors A/C Cr

Dr Stock A/C Cr

Dr Cash at Bank A/C Cr
