

UNIT 7 ACCOUNTING SYSTEMS

Accounting Systems are designed to eliminate much of the duplication involved in a manual accounting system. Using carbonized receipts, special journals as shown here, and ledger cards allow for much of the accounting

work to be accomplished as receipts are processed and checks written. Special journals are important because they provide the basis for computerized accounting systems.

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Special Journal:

- Purchases Journal is used for Credit Purchases
- Sales Journal is for Credit Sales
- Cash Payments Journal is used when Cash is Credited
- Cash Receipts Journal is used when Cash is Debited

Note: The following transactions were originally recorded in the General Journal on page 30. In this section, when possible, they have been recorded in special journals. The abbreviation of the journal used follows each transaction.

Note: Only credit purchases are allowed in the Purchase Journal.

- 1/3 Purchased merchandise for \$4,000 on credit from L. Company, invoice dated 1/1, terms 2/10,n30. PJ
- 1/7 Return \$500 of defective merchandise purchased 1/1 from L. Company. GJ
- 1/11 Paid L. Company for purchases of 1/1 less return and discount. CPJ
- 1/12 Recorded Cash Sales of \$2,000. CRJ
- 1/14 Sold \$5,000 of merchandise to M. company terms 2/10,n30. SJ
- 1/18 M. Company returned \$100 of merchandise purchased 1/14. GJ
- 1/24 M. Company paid for sale of 1/14 less return and discount. CRJ

PURCHASES JOURNAL Page 1

DATE	ACCOUNT	TERMS	POST REF.	AMOUNT
1/3	L. Company	2/10,n30	✓	4,000
2/2	Z. Company	1/10,n30	✓	3,960
				7,960
				(51) (31)

CASH PAYMENTS JOURNAL Page 1

DATE	EXPLANATION	CHECK NO.	CREDITS		POST REF.	DEBITS						
			CASH	PURCHASE DISCOUNTS		ACCOUNTS PAYABLE	PURCHASES	TRAVEL EXPENSE	OTHER DEBITS	POST REF.	AMOUNT	
1/11	Paid L. Co.	1	3,430	70	✓	3,500						
2/28	Paid Z. Co.	2	4,000		✓	3,960					Purchase Discount Lost	
2/28	Paid Trans.-In	3	50								Trans. In	70
3/5	Paid Travel	4	200					200				55
			7,680	70		7,460		200		200		90
			(1)	(53)		(31)		(68)				

Note: When posting, place the number of the ledger account below the amount posted. A check (✓) should be placed in the Post Reference Column to indicate posting to a Subsidiary Ledger.

GENERAL LEDGER

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u>CASH (1)</u></td> <td style="text-align: center;"><u>ACCOUNTS RECEIVABLE (3)</u></td> </tr> <tr> <td style="text-align: right;">22,802</td> <td style="text-align: right;">11,000</td> </tr> <tr> <td style="text-align: right;">Bal. 15,122</td> <td style="text-align: right;">10,900</td> </tr> <tr> <td style="text-align: right;">7,680</td> <td style="text-align: right;">100</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">11,000</td> </tr> </table>	<u>CASH (1)</u>	<u>ACCOUNTS RECEIVABLE (3)</u>	22,802	11,000	Bal. 15,122	10,900	7,680	100		11,000	
<u>CASH (1)</u>	<u>ACCOUNTS RECEIVABLE (3)</u>										
22,802	11,000										
Bal. 15,122	10,900										
7,680	100										
	11,000										

7,960	<u>PURCHASES (51)</u>
500	<u>PURCHASE RETURNS (52)</u>
70	<u>PURCHASE DISCOUNTS (53)</u>
50	<u>TRANSPORTATION-IN (55)</u>
200	<u>TRAVEL EXPENSES (68)</u>
40	<u>PURCHASE DISCOUNT LOST (70)</u>

**ACCOUNTS RECEIVABLE
SUBSIDIARY LEDGER**

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><u>M Company</u></td> <td style="text-align: center;"><u>A Company</u></td> </tr> <tr> <td style="text-align: right;">5,000</td> <td style="text-align: right;">6,000</td> </tr> <tr> <td style="text-align: right;">100</td> <td style="text-align: right;">6,000</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">4,900</td> <td></td> </tr> <tr> <td style="text-align: right;">5,000</td> <td></td> </tr> </table>	<u>M Company</u>	<u>A Company</u>	5,000	6,000	100	6,000	4,900		5,000		
<u>M Company</u>	<u>A Company</u>										
5,000	6,000										
100	6,000										
4,900											
5,000											

Free Quick Notes Books provide help for accounting, economics, statistics, and basic mathematics.

Professional Development Resources Center has material to enhance your career.

- 2/2 Purchase \$4,000 of merchandise from Z. Company, terms 1/10,n30 - Net Method used. PJ
- 2/28 Paid Z. Company for purchase of 2/2 plus purchase discount lost. CPJ
- 2/28 Paid transportation charges of \$50 for merchandise purchased 10/2. CPJ

Additional Transactions

- 3/1 Signed a \$10,000 Note Payable with First Bank Corporation, cash deposited today. CRJ
- 3/2 Sold \$6,000 of merchandise to A. Company terms 2/10,n30. SJ
- 3/5 Paid Travel Expense of \$200. CPJ
- 3/30 A. Company paid today. CRJ

Note: Only Credit Sales are allowed in the Sales Journal.

Note: The General Journal is used for entries that do not easily fit into a special journal. Also included are Adjusting, Closing, Reversing, and Correcting Entries.

SALES JOURNAL

DATE	ACCOUNT	INVOICE NUMBER	POST REF.	AMOUNT
1/14	M. Company	1	✓	5,000
3/2	A. Company	2	✓	6,000
				<u>11,000</u>
				(3) (41)

GENERAL JOURNAL

DATE	EXPLANATION	PR	DR	CR
1/7	Accounts Payable - L. Co.	31	500	
	Purchase Returns	52		500
1/18	Sales Returns	42	100	
	Accounts Receivable - M. Co.	3		100

CASH RECEIPTS JOURNAL

DATE	EXPLANATION	DEBITS			POST REF.	CREDITS			
		CASH	SALES DISCOUNTS			ACCOUNTS RECEIVABLE	CASH SALES	OTHER CREDITS	POST REF.
1/12	Weekly Sales	2,000				2,000			
1/24	M. Company	4,802	98	✓	4,900				
3/1	Signed Note	10,000					Notes Payable	32	10,000
3/30	A. Company	<u>6,000</u>		✓	<u>6,000</u>				
		22,802	98		10,900	2,000			10,000
		(1)	(43)		(3)	(40)			(32)

<p><u>ACCOUNTS PAYABLE (31)</u> 7,460 7,960 <u>500</u> 7,960</p> <p>Bal. -0-</p> <p><u>NOTES PAYABLE (32)</u> 10,000</p>	<p><u>CASH SALES (40)</u> 2,000</p> <p><u>CREDIT SALES (41)</u> 11,000</p> <p><u>SALES RETURNS AND ALLOWANCES (42)</u> 100</p> <p><u>SALES DISCOUNT (43)</u> 98</p>	
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ACCOUNTS PAYABLE SUBSIDIARY LEDGER			
L. Company		Z. Company	
500	4,000	3,960	3,960
<u>3,500</u>			
4,000			

Darin's Music Emporium Trial Balance March 31, 1996			
Cash	\$ 15,122		
Purchases	7,960		
Purchase Returns		\$ 500	
Purchase Discounts		70	
Transportation-In	50		
Travel Expense	200		
Purchase Discount Lost	40		
Notes Payable			10,000
Cash Sales	2,000		
Credit Sales			11,000
Sales Returns and Allowances	100		
Sales Discounts	<u>98</u>		
	<u>\$23,570</u>		<u>\$23,570</u>

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