Name:				
Lesson 3-1: Recording Transactions and	the General Journal			
Objectives: LO1:				
LO2:				
LO3:				
A. Journals and Journalizing	GENERAL JOU	RNAL		PAGE
A. Journals and Journalizing	DATE ACCOUNT TITLE	DOC. POST. NO. REF.	DEBIT	CREDIT
	1			1
	3 4			3
• Where can we find all of our account names	and numbers?			
• Journal:				
• A journal is more ar transactions.	nd a more	recor	d of	
• Journalizing:				
• There are several kinds/only one kind (circle	one) of journal(s).			
Most businesses journalize transactions	to stay	up-to-date	2.	
B. General Journal				
Entries must be				
 Transactions are journalized in order by 				
• Entry:				
Double-entry:				
Double entry means each transaction affects	AT LEAST	accounts.		
ONCE AGAIN,m	ust always equal		•	
<i>C. Source Documents</i>Source documents:				
A source document	that a transaction occurre	d.		
GAAP CONCEPT:				

• Objective Evidence:

1. Checks

NO.1 8.165.00		
Date 20 20 20	DELGADO WEB SERVICES	NO. 1 33/2109
To <u>tatinan Supplier</u>	25402 Rinnock Road	Truce 9
0.0	Billings, MT 59102-1820	<u> 0anuary 2</u> 20
For Syptian		1. T. C.
	ORDER OF Eastside Supplies	\$ 165.00
BALANCE BROUGHT FORWARD 0 00		
AMOUNT DEPOSITED 7 2 2,000 00	One hundred sixty-five and not -	DOLLARS
SUBTOTAL Date 2.000 00	MBillings National Bank	
OTHER:	mibilings National Bank	
	0.0	Michael Deloada
SUDTOTAL 2 000 00	FOR OUDDIES	Minder Delgano
CODICINE AND	and the second second second second second second	
AWDONT THIS CHECK	10929215081 706466631" 1	
BALANCE CARRIED FORWARD	4	

- <u>Check:</u>
- When cash is noted in a transaction, a _____ is being used, not actual cash money.
- A ______ is used to keep tabs on the balance in a checking account.
 - Only the TOP of this is used to journalize.
 - ALWAYS fill in the check stub!

2. Sales Invoice

DELGADO WEB SERVICES 25402 Rinnock Raad Billings, MT 59102-1820	Sold to:	 /12/) days
Description		Amount
Web Site Design		\$500.00
Total		\$500.00

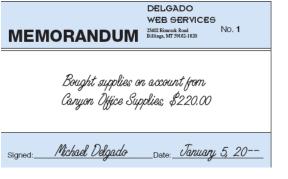
- Invoice:
- Sales Invoice:
- When a sale is made, the customer gets their services, but nothing is paid yet (sale ______), we use this source doc: _________.

3. Receipts

No. 1	Receipt No. 1
Date <u>January 2</u> 20 <u></u>	January 2
From_Michael Delgado	I Rec'd Michael Delgado
For_Investment	For Investment
	Two thousand and no/100 Dollars
\$ 2,000 00	Amount \$ 2,000 00
	DELGADO Damian Delgada WEB SERVICES Received By 25402 Internet Road Billings,MT 59102-1820

- <u>Receipt:</u>
- A receipt is used when cash is received from ______.

4. Memos



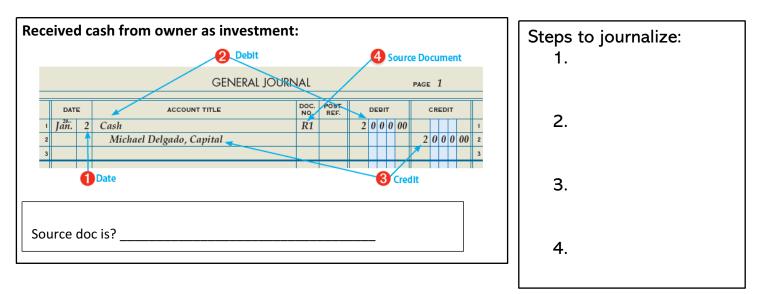
- Memo:
- A memo is used when ______ or when an

_____ is needed for a transaction.

5. Calculator Tape

	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
	0.00 *
Jan 100 T10	330·00+ 450·00+ 330·00+ 100·00*

- Calculator tape:
- When customers pay cash at the time they get a service, it is put in a drawer and added at the end of the day. This way, only **ONE** ______ is made.
- D. Preparing Journal Entries
- A journal is sometimes called ______.
- A journal is a ______ record, so we use ink.
- We should always signify 0¢ by ______.



# Paid cash for supplies:

Source doc is? _____

## Check yourself!

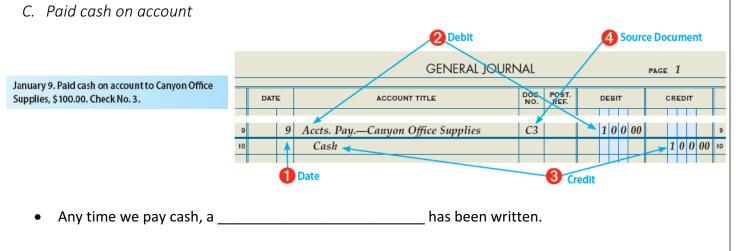
- 1. In what order are transactions recorded in a journal?
- 2. Why are source documents important?
- 3. List the four parts of a journal entry.

# Lesson 3-2: Transactions Affecting Prepaid Insurance and Supplies





A. Paid cash for insurance		
5	2 Debit	4 Source Document
	C DEDIT	Source Document
	GENERAL JOURI	NAL PAGE 1
January 3. Paid cash for insurance, \$900.00.	DATE ACCOUNT TITLE	DOC POST DEBIT CREDIT
Check No. 2.		NO. BÉF. DEBIT CREDIT
	5 3 Prepaid Insurance	C2 90000 5
	6 A Cash	90006
	1 Date	3 Credit
<ul> <li>What is the Doc Number?</li></ul>		
<ul> <li>Which account is decreasing</li> </ul>	?	
• Which account is increasing	?	
-		
B. Bought supplies on account		
	2 Debit	A Source Document
	Cont	Jource Document
	GENERAL JOU	RNAL PAGE 1
		DOC POST.
January 5. Bought supplies on account from Canyon Office Supplies, \$220.00. Memorandum No. 1.	DATE ACCOUNT TITLE	NO. REF. DEBIT CREDIT
	7 5 Supplies	
	Accts. Pay.—Canyon Office Supplies	
	1 Date	3 Credit
What type is the Source Dec	ument?	
	ument:	
We can abbreviate Accounts	S Payable as	or



## Check yourself!

- 1. When cash is paid for insurance, which account is listed on the first line of the entry?
- 2. When supplies are bought on account, which account is listed on the first line of the entry?
- 3. When supplies are bought on account, which account is listed on the second line of the entry?
- 4. When cash is paid on account, which account is listed on the second line of the entry?

# Lesson 3-3: Transactions Affecting Owner's Equity and Asset Accounts

Objectives: LO6:	
LO7:	
A. Received cash from sales	
	2 Debit 4 Source Document
January 10. Received cash from sales, \$1,100.00. Calculator Tape No. 10.	GENERAL JOURNAL         PAGE 1           DATE         Account title         Dot Soft DEBIT         CREDIT           11         10         Cash         T10         11         0         00         11           12         A         Sales
Source doc is	Date G Credit
Source doc is     O This is the	 of all cash transactions of the day.
• Remember, ir	
B. Sold services on account	
January 12. Sold services on account to Main Street	2 Debit 4 Source Document
Services, \$500.00. Sales Invoice No. 1.	GENERAL JOURNAL PAGE 1
13 14	DATE     ACCOUNT TITLE     DOC. POST. NO.     DEBIT     CREDIT       12     Accts. Rec.—Main Street Services     S1     500000     13       Sales     500000     14       Date     3
• This means a customer received a servi	
Source doc is	·
• Remember, ir	ncreases Owner's Equity.
Because we haven't received cash (but	we will), we debit
We still credit	, as a sales transaction occurred even if
no cash was received.	
C. Paid cash for expense	1 Date 2 Debit 4 Source Document
	GENERAL JOURNAL PAGE 1
January 12. Paid cash for communications bill, including cell phone and Internet service, \$80.00. Check No. 4.	
January 15. Paid cash for equipment rental, \$400.00. Check No. 5.	15     12     Communications Expense     C4     8     0     15       16     Cash     -     -     8     0     0     16       17     15     Equipment Rental Expense     C5     4     0     0     17       18     Cash     -     4     0     0     19
	19         19         19           20         20         20           21         21         21
Source doc is	. Credit
Remember,	

D. Received cash on account		
January 16. Received cash on account from Main Stre Services, \$200.00. Receipt No. 2.	et 2 Debit	<b>4</b> Source Document
Services, \$200.00. Receipt No. 2.	GENERAL JOURNAL	page 1
DATE	ACCOUNT TITLE DOC. PO	ST. DEBIT CREDIT
19 16 20 <b>A</b>	Cash     R2       Accts. Rec.—Main Street Services	2 0 0 00 19 2 0 0 00 20
0		Credit
	on account, a customer has already r dited. We credit	
We can abbreviate Accounts Receiv	vable as	or
E. Paid cash to owner	2 Debit	4 Source Document
	GENERAL JOURNA	
January 16. Paid cash to owner for a withdrawal of equity, \$350.00. Check No. 6.		
	21     16     Michael Delgado, Drawing     C       22     Cash     C	6 3 5 0 00 21 3 5 0 00 22

• Remember, a ______ is when the owner basically writes a paycheck to him/herself, to use the money for personal use.

**3** Credit

1 Date

This INCREASES/DECREASES (circle one) Owner's Equity?

### Check yourself!

- 1. When cash is received from sales, which account is listed on the first line of the entry?
- 2. When cash is received from sales, which account is listed on the second line of the entry?
- 3. When services are sold on account, which account is listed on the second line of the entry?
- 4. When cash is paid for any reason, what abbreviation is used for the source document?
- 5. When cash is received on account, what abbreviation is used for the source document?

# Lesson 3-4: Starting a New Journal Page

<u>Objectives:</u> LO8: ______ LO9:

A. A Completed Journal page

33	 22	Equipment Rental Expense	<i>C</i> 9		5	1	0	00				33
34		Cash							5	1 (	00 0	34

- If less than ______ lines remain, you must begin a new journal page. <u>NEVER</u> split a transaction on two pages!
- B. Starting a New General Journal Page

			GENERAL JOURN	IAL				PAGE	: 2		
	DAT	E	ACCOUNT TITLE	DOC. NO.	POST. REF.	DE	BIT		CRE	DIT	
1											1
2											2
3											3

- When starting a new page, list the **MONTH** again, but not the year.
- Put the next ______ at the top right corner.
- C. Correcting Errors in Journal Entries

			GENERAL JOUR	NAL		PA	ge 14
	DA'	LE.	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT
		<del>27</del>	Advertising Expense	<del>C10</del>		<u>5 5 00</u>	9
p	~		Cash				5 5 00 10
ı		27	Miscellaneous Expense	C10		5 5 00	11
2			Cash				5 5 00 12
Γ		28	Supplies	C11		<del>3 0 0 00</del>	13
I			Cash				3 0 0 00 14
		29	Cash	T29		4 3 0 0 00	15
			Sales				⁴ ³ ³ ⁰ ⁰⁰ ¹⁶
n n	or is	dis	covered before the next entry,				

- If the error is discovered before the next entry, ______
  then ______.
- If it isn't immediately noticed and there are entries below it, ______ and write the correct item ______.
- We CANNOT just line through and put the entry at the bottom or the entries will not be in chronological order!
- DO NOT ERASE ENTRIES REMEMBER, ENTRIES ARE PERMANENT AND NEED TO BE TRACEABLE!

### Check yourself!

1. When is a general journal page complete?

- 2. if an entire entry is incorrect and is discovered before the next entry is journalized, how should the incorrect entry be corrected?______
- 3. If several correct entries are recorded after an incorrect entry is made, how should the incorrect entry be corrected?