

Accounting I

Chapter 4

POSTING TO A GENERAL LEDGER

Review: Summative Assessment (Ch. 3 Quiz)

Review: Journal is a permanent record of the debit and credit parts of each transaction with transactions recorded in chronological order.

A separate form is used for each account to summarize all changes to a single account in one place.

Assign Students to Read Ch. 4 and complete the terms p. 88. (*Students may hand-write them on handout or do on word processor*)

Discuss Section 4-1: Preparing a Chart of Accounts

Discuss Account form on p. 91.

Balance-Ruled Account form has 7 columns: Date, Item, Post Ref., Debit, Credit, Debit Balance, and Credit Balance.

A group of accounts is called a Ledger.

A ledger than contains all accounts needed to prepare financial statements is called a General Ledger.

The number assigned to an account is called an Account Number.

Chart of Accounts (p. 92) is a list of account titles and numbers.

Accounts are arranged in same order as they appear on financial statements. 1. Assets 2. Liabilities 3. Owner's Equity 4. Revenue 5. Expenses

The procedure for arranging accounts in a general ledger, assigning account numbers, and keeping records current is called File Maintenance.

1. Three-digit account numbers:
 - First digit shows general ledger division
 - Second two digits show location within division
2. Account numbers assigned by 10's so new accounts can be added.
3. New account numbers are assigned to the middle unused account number (alphabetically) within the division.
4. When no longer needed,
5. When a new account is added at the end of a ledger division, the next number in sequence of 10's is used.
6. Businesses with more accounts use more digits (4-5-or more), but the rules stay the same.

Writing an account title and number on the heading of an account is called Opening an Account

1. Account Title
2. Account Number

Practice: Complete Work Together/On Your Own p.
95. Assign: Application Problem 5-1 p. 111

Discuss Section 4-2: Posting an Amount from a General Column

Transferring information from a journal entry to a ledger account is called Posting.

Two Rules for Posting

1. Separate amounts in a journal's general amount columns are posted individually to the account written in the Account Title column.
2. Separate amounts in a journal's special amount columns are not posted individually--totals are posted an end of month.

Steps to Posting (p. 96)

1. Date (*of transaction*)
 2. Journal Page # (*in Post Ref column of account*)
 3. Amount (*Debit or Credit*)
 4. Balance (*Debit or Credit*)
 5. Post Ref (*account # in journal*)
1. --an account entry can be traced to its source in journal
 2. --a journal entry can be traced to where it was posted
 3. --if interrupted, accountant can easily see where

stopped

6. *(always do in order given--Post Ref last)*

7.

Practice: Complete Work Together/On Your Own p. 99

Assign: Application Problem 4-2 p. 111

Discuss Section 4-3: Posting Column Totals from a Journal to a General Ledger

Check marks indicate an item (individual or total) is not to be posted.

--Do NOT Post totals of General Debit/Credit columns.
(check mark)

--Separate amounts in special amount columns are NOT posted individually--only the ***totals*** of special amount columns are posted. --Sales Credit --Cash Debit --Cash Credit

Same steps used to post totals as to post individually

1. Date
2. Journal Page #
3. Amount (column total)
4. Balance
5. Account Number in parenthesis under account total

Practice: Complete Work Together/On Your Own p. 111

Assign: Application Problem 4-3 p. 111

Discuss Section 4-4: Completed Account Forms and Making Correcting Entries

Review Journal Page and General Ledger after posting is complete (p. 105-107)

Simple errors may be corrected by drawing a line through the transaction and writing the correction above the line (prior to being posted).

A Correcting Entry is an additional journal entry made to correct an incorrect transaction that has been posted. (p. 108)

Practice: Complete Work Together/On Your Own p. 109
Assign: Application Problem 4-4 p. 112

Formative Assessment: Assign Mastery Problem 4-5 p. 112

Additional Practice if needed: Assign Challenge Problem 4-6 p. 113

Prepare for Summative Assessment: Complete Study Guide 4

Review for Exam

Summative Assessment--Ch. 4 Quiz--Concept &

Continue with Ch. 5