# CH. 7 CHEAT CARD — SPECIAL JOURNALS & SUBSIDIARY LEDGERS

journals RECORD · ledgers SORT — record each kind of transaction once, post only the totals

## 1 THE FOUR SPECIAL JOURNALS — what each records · where each posts

**SALES JOURNAL**

**sales ON ACCOUNT only**

→ the customer's page

**CASH RECEIPTS**

**ALL cash coming in**

→ cash · the payer's page

**PURCHASES**

**bought ON ACCOUNT**

→ the supplier's page

**CASH PAYMENTS**

**ALL cash going out**

→ cash · the payee's page

**post the DETAIL daily → the subsidiary ledger · post the TOTALS monthly → the general ledger**

## 2 THE GOLDEN RULE — the pages must add up to the summary

**Every subsidiary ledger must TOTAL to its CONTROL account — prove it on a SCHEDULE.**

The subsidiary ledger holds the DETAIL — a page per customer or supplier · the control account is ONE line in the general ledger.

The POST. REF. column is the audit trail — every amount traces back to the journal it came from.

## 3 THE GENERAL JOURNAL — whatever fits nowhere else

**Returns · adjusting entries · closing entries · correcting entries.**

If a transaction fits NO special journal, this is its home — the same form you have used all course.

**EXAM TRAPS: cash sales NEVER enter the sales journal · a general-journal hit on a control account posts TWICE**

scan → the printable card

# WHERE DOES THIS TRANSACTION GO?

Accounting Information Systems · special journals · subsidiary ledgers · the general journal

**ANY TRANSACTION**

## SALES JOURNAL
two amount columns

**sold ON ACCOUNT**

Dr A/R (control)
Cr Sales Revenue
+ Dr COGS Cr Inventory

POSTING — WHERE IT LANDS
DAILY → A/R SUBSIDIARY LEDGER
MONTHLY → GENERAL LEDGER

## CASH RECEIPTS JOURNAL
multi-column

**cash came IN**

Dr Cash · Sales Discounts
Cr Accounts Receivable
or Sales Revenue · Other
+ Dr COGS Cr Inventory

POSTING — WHERE IT LANDS
DAILY → A/R SUBSIDIARY LEDGER
MONTHLY → GENERAL LEDGER

## PURCHASES JOURNAL
multi-column

**bought ON ACCOUNT**

Dr Inventory
or Dr Supplies
Cr Accounts Payable

POSTING — WHERE IT LANDS
DAILY → A/P SUBSIDIARY LEDGER
MONTHLY → GENERAL LEDGER

## CASH PAYMENTS JOURNAL
multi-column

**cash went OUT**

Dr Accounts Payable
or Dr Inventory · Expense
Cr Cash — always

POSTING — WHERE IT LANDS
DAILY → A/P SUBSIDIARY LEDGER
MONTHLY → GENERAL LEDGER

## GENERAL JOURNAL
no special journal fits

**fits NONE of the above**

- returns
- adjusting entries
- closing entries
- correcting entries

POSTING — WHERE IT LANDS
posted DIRECTLY, entry by entry
→ GENERAL LEDGER

**THE GOLDEN RULE · sum of the SUBSIDIARY ledger pages = the CONTROL account balance**

A/R subsidiary = customers ledger · A/P subsidiary = creditors ledger · prove it monthly on a SCHEDULE of accounts receivable

| POST. REF. TRAIL | | | | | | |
|---|---|---|---|---|---|---|
| | **S** | **CR** | **P** | **CP** | ✓ | **( )** |
| | sales journal | cash receipts | purchases | cash payments | line → subsidiary | total → gen. ledger |