

Unit 6 - The Journal

General Journal

GJ1

Date	Account Title and Description	Ref.	Debit	Credit
20X1				
Aug. 1	Cash		50,000	
	Notes Payable			50,000
	Borrowed \$50,000			
3	Equipment		30,000	
	Cash			30,000
	Purchased equipment			
6	Vehicles		20,000	
	Notes Payable			18,000
	Cash			2,000
	Purchased delivery truck			

The Journal records all parts of a transaction in one place

Entry - Each transaction recorded in a journal

Journalizing - The process of recording transactions in a journal

Each journal entry has four parts:

- » Date of Transaction
- » Account debited and amount (always first)
- » Account credited and amount
- » Explanation giving details of the transaction

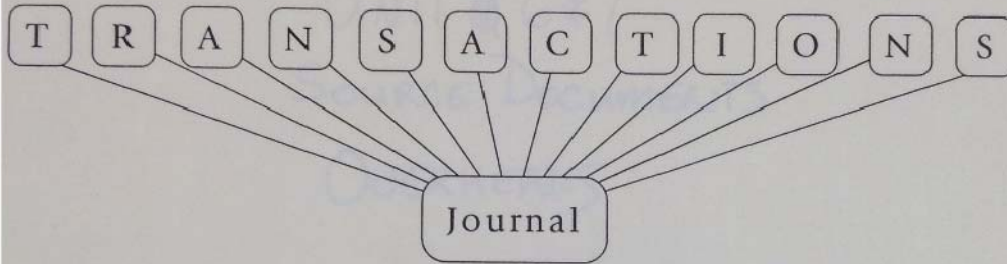
In Figure 4-1, the same transaction is shown in the journal. Notice that in the journal Cash is debited \$900 and Sales is credited \$900 just as in the accounts.

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DATE	PARTICULARS	P.R.	DEBIT	CREDIT	
19--					
Oct. 1	Cash		900		
	Sales				900
	Sold services to R. Helms, for cash, Sales Slip 1.				
3	Advertising Expense		400		
	Cash				400
	Paid cash for a newspaper ad, Cheque 1.				
5	Salaries Expense		700		
	Cash				700
	Paid secretary's weekly salary, Cheque 2.				

FIGURE 4-1 Transactions recorded in a General Journal

Notice that in the General Journal illustrated in Figure 4-1, debits and credits are determined according to the same rules as those you learned in previous chapters. Note also that there is a consistent pat-

**The Journal:
Where Transactions Are First Recorded**



- The complete transaction is recorded in one place.
- The use of a journal reduces errors.
- Transactions are first recorded chronologically in the journal.
- The journal contains a complete record of each transaction: date, debit, credit, amount, and explanation.
- Journals may be completed manually in the form of a book.
- Journals may be completed using a computer and take the form of a computer file.

Let's do 3 sample transactions that can be found on page 126

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DATE	PARTICULARS	P.R.	DEBIT	CREDIT
2015				
Nov 4	CASH SALES SOLD TO K. LITTLE INVOICE #4		800	800
3	ADVERTISING EXPENSE CASH PAID WPG SUN CHEQUE #32		400	400
5	SALARIES EXPENSE CASH PAID WEEKLY SALARIES CHEQ 33#34		700	700