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The General Journal and the General Ledger

STUDY GUIDE QUESTIONS

PART 1 True/False

For each of the following statements, circle T if the statement is true and F if the statement is false.

- T F 1. The credit part of a journal entry always comes first.
- T F 2. Dollar signs are required in all journal entries.
- T F 3. A transaction must be posted before it is journalized.
- T F 4. In a journal entry, if two accounts are debited, two accounts must be credited.
- T F 5. The first step in the posting process is to write the date of the transaction.
- T F 6. In the presentation of a general journal in the text, the title of the account credited is intended approximately one-half inch.
- T F 7. A number in the Post. Ref. column in the ledger account indicates that the balance has been recorded in the trial balance.
- T F 8. Failure to post an entire transaction from the journal to the ledger will show up in the trial balance.
- T F 9. Having a running balance is an advantage of a four-column ledger account form.
- T F 10. A trial balance is prepared directly from the journal.

PART 2 Completion—Language of Business

Complete each of the following statements by writing the appropriate words in the spaces provided.

1. A loose-leaf binder containing the accounts of a business is called a(n)
_____.
2. The process of transferring information from the journal to the ledger is called

_____.
3. Business papers that serve as evidence that a transaction took place are called _____
_____.
4. The _____ states that the purchase of an asset should be recorded at the agreed amount of the transaction.
5. The process of recording a business transaction in a book of original entry is called

_____.
6. A cross-reference exists when the journal page number is recorded in the Post. Ref. column of the ledger and the ledger account number is recorded in the _____.
7. The accounts in the ledger are listed according to _____.

PART 3 Completing a Journal Entry

Here are a partially completed journal entry and the Cash ledger account. Complete the entry, including the explanation, using the data given. The entry represents the first entry of page 33 and occurred during October of the current year.

GENERAL JOURNAL

PAGE _____

	DATE		DESCRIPTION	POST. REF.	DEBIT	CREDIT	
1	20 —						1
2	Oct.	29	Cash		1,100.00		2
3			Accounts Receivable	113			3
4			Income from Services	411		1,700.00	4
5							5
6							6

GENERAL LEDGER

ACCOUNT *Cash*

ACCOUNT NO. *111*

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
<i>20 —</i>						
<i>Oct. 6</i>		<i>30</i>	<i>600.00</i>		<i>3,500.00</i>	
<i>6</i>		<i>30</i>		<i>700.00</i>	<i>2,800.00</i>	
<i>12</i>		<i>32</i>	<i>1,100.00</i>		<i>3,900.00</i>	
<i>14</i>		<i>32</i>		<i>400.00</i>	<i>3,500.00</i>	
<i>27</i>		<i>32</i>		<i>200.00</i>	<i>3,300.00</i>	
<i>29</i>		<i>33</i>	<i>1,100.00</i>		<i>4,400.00</i>	

1. What is the missing amount in the journal entry? _____
2. What is the total cash received during October? _____
3. What is the total cash paid out during October? _____
4. The journal entry is an example of a(n) _____ journal entry.