



**Business Virtual Learning**

# **HS/Accounting 1**

*Topic: Posting from a purchases journal*

**May 20, 2020**



# Accounting 1: Special Journals

## Objectives:

1. Post merchandise purchases to an accounts payable ledger and a general ledger

## Instructions:

Read the slides, answer questions on the last slide.



In the previous lesson you learned how to record purchases of merchandise on account in a purchases journal.

At the end of the month, or end of a page, the amount column should be totaled and posted.

The image at the right shows a completed purchases journal.

PURCHASES JOURNAL					PAGE NO. <u>  1  </u>	
					1	
	DATE		ACCOUNT CREDITED	PURCH. NO.	POST REF	PURCHASES DR.
						ACCTS. PAY. CR.
1	May	1	Atlantic Supply	1		\$ 2,250.00
2		3	J&S Supplies	2		\$ 7,685.00
3		4	McCall Corporation	3		\$ 3,550.00
4		7	Lawson Imports	4		\$ 450.00
5		10	Teaser Supply	5		\$ 500.00
6		15	Atlantic Supply	6		\$ 1,200.00
7		22	McCall Corporation	7		\$ 2,200.00
8						
9		30	Total			\$ 17,835.00
10						



# Accounting 1: Purchases Journal

Notice that the 2 accounts at the top of the journal pages are

- Accounts Payable credit
- Purchases Debit

**Accounts payable** is the 'controlling account' in the general ledger. The balance of this account should always equal the amount owed to ALL vendors.

**Purchases** is the '**cost of good sold**' account that keeps track of how much **merchandise** has been purchased in a given fiscal period.

The **vendor** name on the line is so the amount can be posted to that vendor's account to keep track of what is owed to each individual vendor.

# Posting from the Purchases Journal to the Accounts Payable Ledger

Begin by posting the amounts to the vendor account in the accounts payable ledger.

Move down the journal line-by-line until all are posted.

PURCHASES JOURNAL					PAGE NO. <u>  1  </u>
DATE	ACCOUNT CREDITED		PURCH. NO.	POST REF.	PURCHASES DR. ACCTS. PAY. CR.
1 May	1	Atlantic Supply	1	210	\$ 2,250.00
2	3	J&S Supplies	2		\$ 7,685.00
3	4	McCall Corporation	3		\$ 3,550.00

  

VENDOR: Atlantic Supply			ACCOUNT NO. 210		
DATE	ITEM	POST REF.	DEBIT	CREDIT	CREDIT BALANCE
May 1		P1		2,250.00	2,250.00

# Posting the total of the Purchases Journal to the controlling account in the General Ledger

PURCHASES JOURNAL					PAGE NO. <u>1</u>
DATE		ACCOUNT CREDITED	PURCH. NO.	POST REF.	PURCHASES DR. ACCTS. PAY. CR.
1	May 1	Atlantic Supply	1		\$ 2,250.00
2		J&S Supplies	2		\$ 7,685.00
3		McCall Corporation	3		\$ 3,550.00

9	30	Total			\$ 17,835.00
10					(2110) (5110)

ACCOUNT: Accounts Payable						Acct. No. 2110
DATE		ITEM	POST REF.	DEBIT	CREDIT	BALANCE
						DEBIT CREDIT
May	1	Balance				86,450.00
	30		P1		17,835.00	104,285.00

ACCOUNT: Purchases						Acct. No. 5110
DATE		ITEM	POST REF.	DEBIT	CREDIT	BALANCE
						DEBIT CREDIT
May	1	Balance				62,350.00
	30		P1	17,835.00		80,185.00

Next you will post the total to the accounts listed at the top of the column. These are found in the *general ledger*.

I show accounts payable posted first and purchases second BUT it doesn't matter which order you post them as long as you post to BOTH accounts.

The final step to posting any amount is going back to journal and putting the account number in the post ref. This shows that amount was posted and to what account it was posted to.

# Posting the total of the Purchases Journal to the controlling account in the General Ledger

## Totaling and Ruling a Purchases Journal

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PURCHASES JOURNAL						Page 11
DATE	ACCOUNT CREDITED		PURCH. NO.	POST. REF.	PURCHASES DR. ACCTS. PAY. CR.	
Nov. 6	Wynn Lighting		525		1 0 8 2 50	
8	Galle Electric		526		6 4 0 00	
13	Bearden Chemicals		527		6 2 8 4 80	
13	Mobley Tools		528		4 1 8 2 25	
21	Wynn Lighting		529		3 4 8 0 32	
22	Galle Electric		530		1 0 9 0 00	
27	S&R Imports		531		3 9 7 3 15	
29	Galle Electric		532		8 6 4 25	
30	Total				21 5 8 7 17	5 Total Amount

2 Date    3 Total    1 Single Rule    4 Total Column



# Accounting 1: Purchases Journal

## Questions:

1. What is the first step in posting from the purchases journal?
2. Why do you have to post to the individual vendors and to the accounts in the general ledger?
3. What are the two accounts at the top of the amount column in the purchases journal?
4. What type of transactions are recorded in the purchases journal?
5. What is the last step when posting an amount to either ledger? Why is this so important?