

Business Virtual Learning

HS/Accounting 1

Topic: Posting from a purchases journal

May 20, 2020



Accounting 1: Special Journals

Objectives:

 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 NO1_	
	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	0.5 67	7	Lawson Imports	4		\$	450.00	
5		10	Teaser Supply	5		\$	500.00	
6		15	Atlantic Supply	6	ć	\$	1,200.00	
7	3	22	McCall Corporation	7		\$	2,200.00	
8								
9	94	30	Total		·	\$	17,835.00	
0	(3)	100					·	



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.

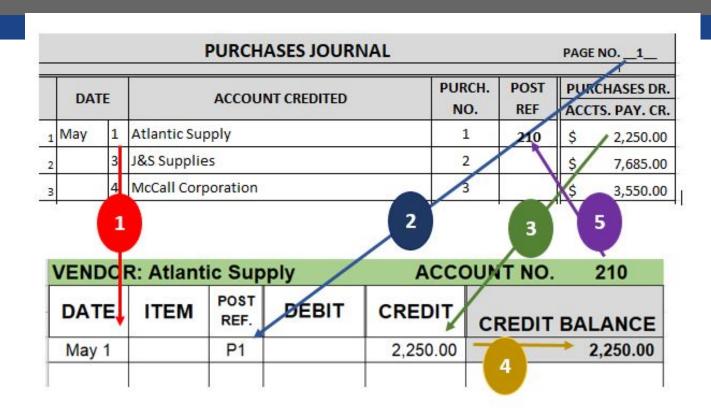
Purchases is the 'cost of good sold' account that keeps track of how much merchandise has been purchased in a given fiscal period.

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.

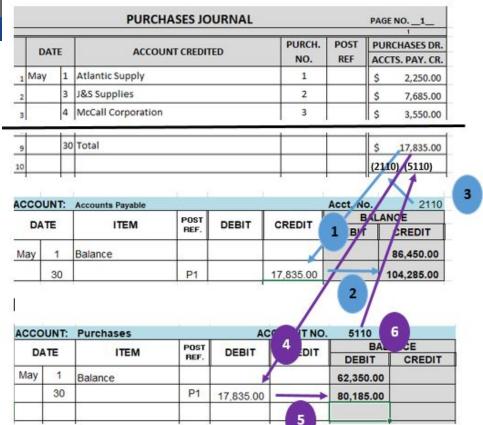
Posting from the Purchases Journal to the Accounts Payable Ledger

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

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



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



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





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?