

CHAPTER IV

RECORDING TRANSACTIONS  
TRANSACTIONS

In the preceding pages we showed the effects of transactions by making entries in "T" accounts. However these entries do not provide the necessary data for a particular transaction nor do they provide a chronological record of transactions. The missing information is furnished by the journal.

*Handwritten notes:* PÁGINAS ANTERIORES, NEGATIVOS MOSTRANOS; HACIENDO ASIENTOS; SIN CMB; NO PROPORCIONAN DATOS; NICIOS; FALTANTE; proporcionado; diario.

The journal.

The journal, is the book of original entry for accounting data. Subsequently the data is posted to the ledger the book of secondary entry. The various transactions are evidenced by purchase invoices, sales tickets etc. These transactions are entered in chronological order in the journal. The process is called journalizing.

In a business may be used a number of different journals, the sales journal, the cash receipts journal, or the cash payment may be grouped into (A) general journals or (b) specialized journals to illustrate journalizing, we use the general journal below

97  
83  
0  
18063  
0060

GENERAL JOURNAL

(a) DATE	(b) DESCRIPTION	(c) POST. REF.	(d) DEBIT	(e) CREDIT
1976 OCT-5	CASH Robert Brown, Capital  (f) Invested cash in the business.	1 50	10,000	10,000

Journalizing

- (a) DATE. The year, month, and day of the first entry in the date column. Do not repeat the year and month <sup>month</sup> until a new month occurs or a new page is needed.
- (b) DESCRIPTION. The account title to be debited is entered on the first line, next to the date column. The name of the account to be credited is entered on the line below and indented.
- (c) P.R. (POSTING REFERENCE). Nothing is entered in this column until the particular entry is posted, that is, until the amounts are transferred to the related ledger accounts. The posting process will be described in other section.
- (d) THE DEBIT amount for each account is entered in this column. Generally there is only one item, but there could be two or more separate items. *debeted son*
- (e) CREDIT. The credit amount for each account is entered in this column. Here again, there is generally only one account, but there could be two or more accounts involved with different amounts. *may doctor*

- (f) EXPLANATION. A brief description of the transaction is usually made on the line below the credit. Generally a blank line is left between the explanation and the next entry.

## EXAMPLE 1

To help to understanding the operation of the general journal, let us journalize the transaction previously described for Mr. Kelly's business.

TRANSACTION (1) Invested in bussiness			
197 ____.			
Jan-4	Cash	5,000	
	J. Kelly Capital		5,000
	Investment in <u>law</u> practice		
TRANSACTION (2) Bought supplies			
Jan-4	Supplies on hand	300	
	Cash		300
	Bought supplies for cash		

## VOCABULARY VI

- B -

1.- BRIEF - breve

- C -

2.- CHRONOLOGICAL - cronológico

- E -

3.- EFFECTS - efectos

4.- ENTRIES - asientos, anotaciones

5.- EVIDENCED - demostrado, evidenciado

- F -

6.- FURNISHED - proporcionado

- G -

7.- GROUPED - agrupado

H

8.- HOWEVER - sin embargo

- I -

9.- INDENTED - sangrado (iniciado con sangría)

10.- INVOLVED - mezclado, implicado

- J -

11.- JOURNALIZING - contabilización  
(registrar una transacción en el  
diario)

- M -

12.- MISSING - que falta, extraviado

- N -

13.- NOR - ni

P

- 14.- POSTED - pasada, asentada  
 15.- PURCHASE INVOICES - facturas de compra  
 16.- PREVIOUSLY - previamente  
 17.- PAGES - páginas  
 18.- PRECEDING - anterior, que procede

- S -

- 19.- SALES - ventas  
 20.- SECONDARY - secundaria

T

- 21.- TRANSFERRED - transferido, cambiado

## CHAPTER V

## REPETITIVE TRANSACTIONS

## INTRODUCTION:

In earlier sections, the accounting principles discussed were illustrated in terms of small businesses having relatively few transactions. Each transaction was recorded by means of an entry in the general journal, then posted to the related account in the general ledger.

Such a simple system becomes altogether too slow and cumbersome when transactions of various categories occur by the hundreds or thousand monthly. In that case, it is more practical to group the repetitive transactions according to type (sales, purchases, cash, etc.) and to provide a separate special journal for each type. Entries not of a repetitive nature, such as corrections, adjusting entries, and closing entries, will still be entered, ~~will still be entered~~ in the general journal.

## ADVANTAGES OF SPECIAL JOURNALS:

The advantages of using special journals where there are numerous repetitive transactions may be summari