



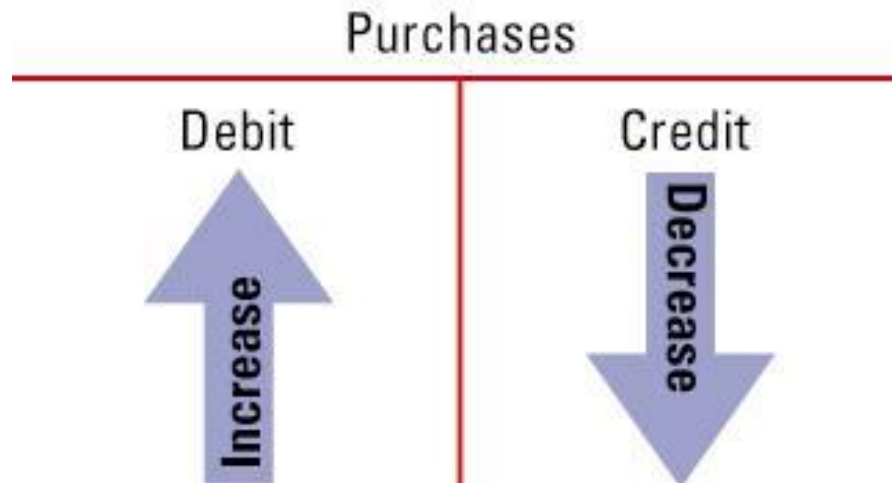
LESSON 9-1

Journalizing Purchases Using a Purchases Journal



PURCHASING MERCHANDISE

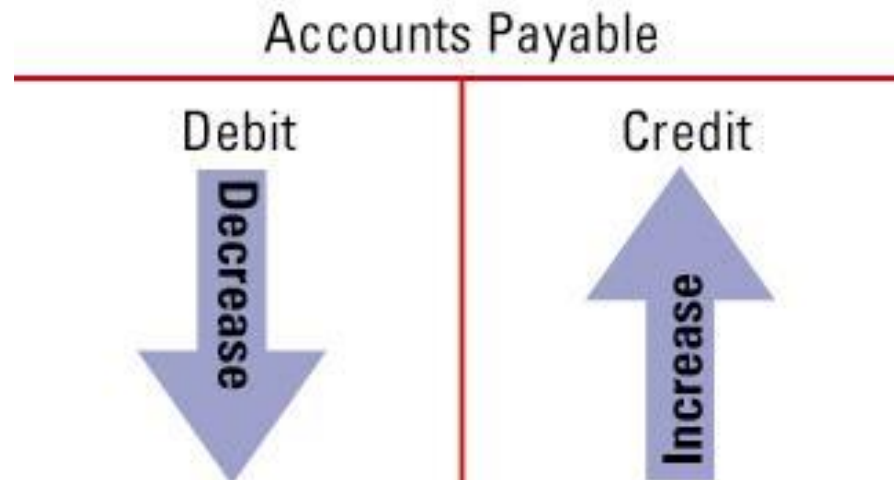
page 236





PURCHASES ON ACCOUNT

page 236





PURCHASES JOURNAL

page 237

PURCHASES JOURNAL

PAGE

	DATE	ACCOUNT CREDITED	PURCH. NO.	POST. REF.	PURCHASES DR.					
					ACCTS.	PAY.	CR.			
1										1
2										2



PURCHASE INVOICE

QUANTITY	CAT. NO.	DESCRIPTION	UNIT PRICE	TOTAL
10	4422	28 canvas	53.00	530.00 ✓
12	4424	40 canvas	62.00	744.00 ✓
15	6620	2 4 frame kit	36.00	540.00 ✓
15	7715	1 2 frame kit	15.00	225.00 ✓
		Total		2,039.00 PSD

Crown Distributing
162 Webster Road
Miami, FL 33127-6214

TO: Hobby Shack
1420 College Plaza
Atlanta, GA 30337-1726

DATE: 10/26/--
INV. NO.: 2389
TERMS: 30 days
ACCT. NO.: 230

REC'D 11/02/-- P83

1. Stamp the date received and purchase invoice number.
2. Place a check mark by each amount.
3. Initials of the person who checked the invoice.
4. Review the vendor's terms.



PURCHASING MERCHANDISE ON ACCOUNT

November 2. Purchased merchandise on account from Crown Distributing, \$2,039.00. Purchase Invoice No. 83.

PURCHASES JOURNAL

PAGE 11

DATE		ACCOUNT CREDITED	PURCH. NO.	POST. REF.	PURCHASES DR. ACCTS. PAY. CR.	
1	Nov. 2	Crown Distributing	83		203900	1
2						2

1

2

3

4

1. Write the date.
2. Write the vendor name.
3. Write the purchase invoice number.
4. Write the amount of the invoice.

Purchases	
2,039.00	
Accounts Payable	
	2,039.00



TOTALING AND RULING A PURCHASES JOURNAL

PURCHASES JOURNAL

PAGE 11

	DATE		ACCOUNT CREDITED	PURCH. NO.	POST. REF.	PURCHASES DR.		
						ACCTS. PAY.	CR.	
1	Nov. 2	Crown Distributing	83		2039	00	1	
2	5	Ceramic Supply	84		4147	20	2	
3	5	Synthetic Arts	85		3816	00	3	
4	13	American Paint	86		3768	00	4	
5	20	American Paint	87		3377	88	5	
6	30	Total			17148	08	6	
7							7	

1. Rule a single line across the amount column.
2. Write the date.
3. Write the word *Total*.

4. Add the amount column.
5. Write the total.
6. Rule double lines across the amount column.



TERMS REVIEW

page 241

- merchandise
- merchandising business
- retail merchandising business
- wholesale merchandising business
- corporation
- share of stock
- capital stock
- stockholder
- special journal
- cost of merchandise
- markup
- vendor
- purchase on account
- purchases journal
- special amount column
- purchase invoice
- terms of sale



LESSON 9-2

Journalizing Cash Payments Using a Cash Payments Journal



CASH PAYMENTS JOURNAL

CASH PAYMENTS JOURNAL												PAGE
DATE		ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT			
					DEBIT	CREDIT						
1												1



CASH PAYMENT OF AN EXPENSE

page 243

November 2. Paid cash for advertising, \$150.00. Check No. 292.

CASH PAYMENTS JOURNAL										PAGE 21
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT		
				DEBIT	CREDIT					
1 Nov. 2	Advertising Expense	292		150 00				150 00	1	
2 Nov. 5	Supplies—Office	293		94 00				94 00	2	
3									3	

1. Write the date.
2. Write the account title.
3. Write the check number.
4. Write the debit amount.
5. Write the credit amount.

Advertising Expense	
150.00	
<hr/>	
Cash	
	150.00



BUYING SUPPLIES FOR CASH

November 5. Paid cash for office supplies, \$94.00. Check No. 293.

CASH PAYMENTS JOURNAL											PAGE 21
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT			
				DEBIT	CREDIT						
1 Nov. 2	Advertising Expense	292		150.00				150.00	1		
2 5	Supplies—Office	293		94.00				94.00	2		
3									3		

1

2

3

4

5

1. Write the date.
2. Write the account title.
3. Write the check number.
4. Write the debit amount.
5. Write the credit amount.

Supplies—Office	
94.00	
Cash	
	94.00



CASH PAYMENTS FOR PURCHASES

November 7. Purchased merchandise for cash, \$600.00. Check No. 301.

CASH PAYMENTS JOURNAL										PAGE 21
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT		
				DEBIT	CREDIT					
10 7	Purchases	301		600.00				600.00	10	

1. Write the date.
2. Write the account title.
3. Write the check number.
4. Write the debit amount.
5. Write the credit amount.

Purchases	
600.00	
Cash	
	600.00



CASH PAYMENTS ON ACCOUNT WITH PURCHASES DISCOUNTS

November 8. Paid cash on account to Gulf Craft Supply, \$488.04, covering Purchase Invoice No. 82 for \$498.00, less 2% discount, \$9.96. Check No. 302.

CASH PAYMENTS JOURNAL										
PAGE 21										
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT		
				DEBIT	CREDIT					
11/8	Gulf Craft Supply	302				498.00	9.96	488.04		

1. Write the date.
2. Write the account title of the vendor.
3. Write the check number.
4. Write the debit amount.
5. Write the credit amount.
6. Write the credit amount.

Accounts Payable	
498.00	
Purchases Discount	
	9.96
Cash	
	488.04



CASH PAYMENTS ON ACCOUNT WITH PURCHASES DISCOUNTS

November 13. Paid cash on account to American Paint, \$2,650.00, covering Purchase Invoice No. 77. Check No. 303.

CASH PAYMENTS JOURNAL										PAGE 21
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT		
				DEBIT	CREDIT					
13	American Paint	303				265000		265000		

1. Write the date.
2. Write the vendor account title.
3. Write the check number.
4. Write the debit amount.
5. Write the credit amount.



TERMS REVIEW

page 247

- cash payments journal
- cash discount
- purchases discount
- general amount column
- list price
- trade discount
- contra account



LESSON 9-3

Performing Additional Cash Payments Journal Operations



PETTY CASH REPORT

1. Write the date and custodian name.
2. Write the fund total.
3. Summarize petty cash payments.
4. Calculate and write the total payments.
5. Calculate and write the recorded amount on hand.
6. Write the actual amount of cash on hand.
7. Subtract the actual amount on hand from the recorded amount on hand and write the amount.
8. Write the total of the replenish amount.

PETTY CASH REPORT			
Date: <u>October 31, 20--</u>		Custodian: <u>Janice Morgan</u>	
Explanation	Reconciliation		Replenish Amount
Fund total		250.00	
Payments:			
Supplies	45.34		
Advertising	25.00		
Miscellaneous	144.22		
Less: Total payments		214.56	214.56
Equals: Recorded amount on hand		35.44	
Less: Actual amount on hand		33.85	
Equals: Cash short (over)		1.59	1.59
Amount to replenish			216.15

REPLENISHING A PETTY CASH FUND

PETTY CASH REPORT				
Date: <u>November 18, 20--</u>		Custodian: <u>Janice Morgan</u>		
Explanation	Reconciliation		Replenish Amount	
Fund total		250.00		
Payments:				
Supplies—Office	32.33			
Advertising	50.00			
Miscellaneous	128.50			
Less: Total payments		210.83	→	210.83
Equals: Recorded amount on hand		39.17		
Less: Actual amount on hand		41.34		
Equals: Cash short (over)		(2.17)	→	(2.17)
Amount to replenish				208.66

1. Date
2. Account titles
3. Check number
4. Expense amounts
5. Cash short as a debit; cash over as a credit
6. Total cash payment

CASH PAYMENTS JOURNAL										PAGE 21
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT		
				DEBIT	CREDIT					
18	Supplies—Office	310		32.33						208.66
	Advertising Expense			50.00						
	Miscellaneous Expense			128.50						
	Cash Short and Over							2.17		



TOTALING, PROVING, AND RULING A CASH PAYMENTS JOURNAL PAGE TO CARRY TOTALS FORWARD

page 250

CASH PAYMENTS JOURNAL											PAGE 21
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT			
				DEBIT	CREDIT						
24	20 Ceramic Supply	312				580800		580800		24	
25	20 Carried Forward		✓	1328180	69538	1224000	8252	2474390		25	

1. Rule a single line.
2. Write the date.
3. Write the words *Carried Forward* in the Account Title column.
4. Place a check mark in the Post. Ref. column.
5. Write each column total.
6. Rule double lines.



STARTING A NEW CASH PAYMENTS JOURNAL PAGE

CASH PAYMENTS JOURNAL											PAGE 22	1
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT				
				DEBIT	CREDIT							
Nov. 20	Brought Forward		✓	1328180	69538	1224000	8252	2474390				

1. Write the journal page number.
2. Write the date.
3. Write the words *Brought Forward* in the Account Title column.
4. Place a check mark in the Post. Ref. column.
5. Record the column totals.

TOTALING, PROVING, AND RULING A CASH PAYMENTS JOURNAL AT THE END OF A MONTH

CASH PAYMENTS JOURNAL											PAGE 22
DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT			
				DEBIT	CREDIT						
1 Nov. 20	Brought Forward		✓	1328180	69538	1224000		8252	2474390		
8 29	Advertising Expense	319		150000					150000		
9 30	Floral Designs	320				165000	3300		161700		
10 30	Rent Expense	321		60000					60000		
11 30	Totals			1646299	139075	1798400	15484		3290140		

1. Rule a single line.
2. Write the date.
3. Write the word *Totals* in the Account Title column.
4. Write each column total.
5. Rule double lines.

5



TERMS REVIEW

page 253

- cash short
- cash over



LESSON 9-4

Journalizing Other Transactions Using a General Journal

MEMORANDUM FOR BUYING SUPPLIES ON ACCOUNT

page 254

HOBBY SHACK, INC. MEMORANDUM

NO. 52

DATE November 6, 20--

Attached invoice is for store
supplies bought on account.



BUYING SUPPLIES ON ACCOUNT

November 6. Bought store supplies on account from Gulf Craft Supply, \$210.00. Memorandum No. 52.

GENERAL JOURNAL										PAGE 11
	DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT				
1	Nov. 6	Supplies—Store	M52		210 00					1
2		Accts. Pay./Gulf Craft Supply							210 00	2

- Write the date.
- Write the account title.
- Write the memorandum number.
- Write the debit amount.
- Write the account title and vendor name.
- Place a diagonal line in the Post. Ref. column.
- Write the credit amount.

DEBIT MEMORANDUM FOR PURCHASES RETURNS AND ALLOWANCES

page 256

DEBIT MEMORANDUM NO. 78

HOBBY SHACK, INC.

1420 College Plaza
Atlanta, GA 30337-1726



*We have this day debited
your account as follows:*

DATE

November 8, 20--

TO

Crown Distributing
162 Webster Road
Miami, FL 33127-6214

ACCOUNT NO.

230

Quantity	Units	Description	Price	Total
6	ea.	36 canvas, medium grade, your invoice number 16724, are being returned. Merchandise sustained water damage in transit.	42.00	252.00

If the above is incorrect, please return stating difference.





JOURNALIZING PURCHASES RETURNS AND ALLOWANCES

November 28. Returned merchandise to Crown Distributing, \$252.00, covering Purchase Invoice No. 80. Debit Memorandum No. 78.

GENERAL JOURNAL						PAGE 11	
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT		
28	Accounts Pay./Crown Distributing	DM18	/	252 00		30	
	Purchases Returns and Allow.				252 00		31

1. Write the date.
2. Write the account title and vendor name.
3. Place a diagonal line in the Post. Ref. column.
4. Write debit memorandum number.
5. Write the amount.
6. Write *Purchases Returns and Allow.*
7. Write the amount.



TERMS REVIEW

- purchases return
- purchases allowance
- debit memorandum