

CHAPTER 7**Concept Assessment****Posting Journal Entries to General Ledger Accounts****Total Points****57****Student's Score****PART A Accounting Vocabulary (7 points)**

Directions: Using terms from the following list, complete the sentences below. Write the letter of the term you have chosen in the space provided.

A. correcting entry	C. ledger account forms	E. proving the ledger	G. transposition error
B. ledger	D. posting	F. slide	H. trial balance

A 0. A _____ must be made when an error in a journal entry is discovered after posting.

1. Adding all the debit balances and all the credit balances of accounts in the ledger to determine whether the two totals are equal is called _____.
2. A _____ results when two numbers are accidentally reversed.
3. The process of transferring the information in a journal entry to an individual account is called _____.
4. _____ are the accounting stationery used to record financial information about specific accounts.
5. A _____ is a proof of the equality of total debits and total credits.
6. When an amount such as \$90 is written as \$900, a _____ error has occurred.
7. A _____ is a book or file that contains the pages or cards for the accounts used by a business.

PART B The Posting Process (12 points)

Directions: Read each of the following statements to determine whether the statement is true or false.

Answer

T	F	0. Posting to the ledger is the fourth step in the accounting cycle.
T	F	1. The accounts of a business are kept in a special book called a ledger.
T	F	2. You can easily see the increases and decreases taking place in the accounts of a business by looking at the general journal entries.
T	F	3. Errors discovered after posting has occurred should be corrected by drawing a line through the incorrect item and writing the correction directly above.
T	F	4. An account may be opened by writing the account title and account number on the account form.
T	F	5. All businesses do their posting daily.
T	F	6. A trial balance is prepared before posting.
T	F	7. To avoid forgetting a step in the posting process, always post from right to left.
T	F	8. The first step in posting is to write the date of the journal entry in the Date column of the account debited.
T	F	9. A line across the Debit balance column shows that an asset account has a zero balance.
T	F	10. Every journal entry requires a posting to at least three ledger accounts.
T	F	11. The purpose of a trial balance is to prove the equality of the ledger.
T	F	12. If the trial balance is in agreement, there are no errors in the accounting records.

Concept Assessment cont.

PART C Determining Account Balances (24 points)

Directions: 1. Open the ledger account by writing the account title and account number, 105.
2. Record the account balance of \$450 as of June 1 of the current year.
3. Assume the following transactions have been recorded on page 1 of the general journal. The transactions that follow affect the account, Accounts Receivable—Amy Anderson. Post these transactions to the account of Amy Anderson.

Date Transaction

June 2 Received \$200 from Amy Anderson on account.
5 Completed services for Amy Anderson and billed her \$70.
21 Received a check for \$320 from Amy Anderson to apply to her account.
29 Sent Invoice 417 to Amy Anderson for services completed, \$90.

ACCOUNT

ACCOUNT NO.

PART D **Correcting Errors** (14 points)

Directions: Several errors are described below. Use the form below. For each error:

1. Determine whether the error will affect the totals of the trial balance.
2. Indicate whether the error requires a correcting entry.
The first item has been completed for you as an example.

Environ.

ERRORS:

0. A \$50 debit was not posted to the Office Supplies account.
1. A \$200 purchase of store equipment was journalized and posted to Store Supplies.
2. A \$30 job completed for Sarah James was recorded and posted to James Scott's account.
3. A \$500 check received as payment for services was journalized and posted to the capital account.
4. A \$69 debit to the withdrawals account was posted as \$96.
5. A \$100 debit to Cash in Bank was posted as \$10.
6. After posting a \$75 credit to a creditor's account, the account balance was incorrectly calculated.
7. A \$25 debit to the Store Supplies account was posted as a credit.

Error	Does error Affect Trial Balance?	Correcting Entry Required	Error	Does Error Affect Trial Balance?	Correcting Entry Required?
0	Yes	No	4		
1			5		
2			6		
3			7		