

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. _____

[illegible]

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.

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		