

CHAPTER 6 REVIEW Recording Transactions in a General Journal

Part 1 Accounting Vocabulary (12 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.

Total Points	85
Student's Score	

- | | | |
|-----------------------------------|--------------------|-----------------------------|
| A. accounting cycle | D. general journal | H. manual accounting system |
| B. check stub | E. invoice | I. memorandum |
| C. computerized accounting system | F. journal | J. receipt |
| | G. journalizing | K. source document |

- C 0. A system in which information is recorded by entering it into a computer is called a(n) _____.
 _____ 1. The source document for recording a cash payment transaction is a(n) _____.
 _____ 2. The business document prepared when cash is received is a(n) _____.
 _____ 3. A business paper that verifies that a transaction actually occurred is a(n) _____.
 _____ 4. A(n) _____ is the source document that shows the date of a business transaction, the items purchased, the quantity of each item, and the cost of each item.
 _____ 5. A sequence of business activities completed throughout a fiscal period to keep accounting records in an orderly fashion is the _____.
 _____ 6. A chronological record of business transactions is a(n) _____.
 _____ 7. Recording business information by hand is done in a(n) _____.
 _____ 8. The process of recording business transactions in a journal is called _____.
 _____ 9. A brief message written to describe a transaction that takes place within a business is a(n) _____.
 _____ 10. An all-purpose journal in which all transactions of a business may be recorded is the _____.

Part 2 The Accounting Cycle (8 points)

Directions: Shown below are the nine steps in the accounting cycle. Rearrange these activities in the order in which they would be completed by a business in its accounting period.

- 3 0. Record the debit and credit parts of each business transaction in a journal.
 _____ 1. Prepare a work sheet to summarize the financial information for the accounting period.
 _____ 2. Record and post the closing entries.
 _____ 3. Post each journal entry to the ledger accounts.
 _____ 4. Collect source documents and verify the financial information.
 _____ 5. Analyze business transactions into their debit and credit parts.
 _____ 6. Prepare a trial balance.
 _____ 7. Prepare a post-closing trial balance.
 _____ 8. Prepare the financial statements.

Part 3 The General Journal (5 points)

Directions: The following list contains the steps for journalizing business transactions. In the general journal on the next page, show where each step is recorded by writing the identifying letter.

- | | |
|--|------------------------------------|
| A. The amount of the credit | D. The amount of the debit |
| B. Source document reference or an explanation | E. The date of the transaction |
| C. The name of the account credited | F. The name of the account debited |

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DATE	DESCRIPTION	POST. REF.	DEBIT	CREDIT
1				
2				
3				

Part 4 Analyzing the Effects of Transactions on Accounts (60 points)**Directions:** Sally Silva, who owns and operates Sally's Salon, uses the following accounts.

Cash in Bank	Accts. Pay.—A Touch of Class	Fees
Accts. Rec.—Donna Deluca	Accts. Pay.—Town News	Advertising Expense
Beauty Supplies	Sally Silva, Capital	Rent Expense
Shop Equipment	Sally Silva, Withdrawals	Utilities Expense

Use the form below to analyze each of the following transactions. For each debit and credit, write the account name, its classification (A, L, OE, R, or E), and whether the account is increased (+) or decreased (–).

- Sally Silva purchased \$100 in beauty supplies for cash, Check 201.
- Received \$50 for services rendered, Receipt 15.
- Bought a \$75 ad on account from Town News, Invoice 601.
- As a personal favor, sold \$20 in beauty supplies on account to Donna Deluca, Invoice 10.
- Wrote Check 202 for \$500 to pay the monthly rent.
- Sally Silva transferred shop equipment valued at \$350 into the business, Memorandum 20.
- Received a check for \$20 from Donna Deluca in payment of her account, Receipt 16.
- Issued Check 203 for \$75 to Town News to apply on account.
- Purchased \$150 in beauty supplies on account from A Touch of Class, Invoice 405.
- Sally Silva withdrew \$125 cash for personal use, Check 204.
- Issued Check 205 to pay the \$85 electric bill.

Trans. No.	Account Name Debited	Classification	+ or –	Account Name Credited	Classification	+ or –
0	Beauty Supplies	A	+	Cash in Bank	A	–
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						