PENANG SANGAM HIGH SCHOOL

P.O BOX 44, RAKIRAKI

LESSON NOTES WEEK 12

Subject: Commercial Studies Year: 10

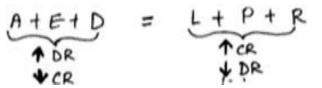
Strand: 2.3 - The Accounting Process

Content Learning Outcome: - Use double entry concept to post to ledger accounts

- Post, balance the ledger accounts using T form
- Prepare sales ledger account from transactions using T form.

<u>Lesson Notes</u> (copy in content learning outcome, notes and activities in your note book)

✓ Ledger accounts follow the extended accounting equation rule.



- ✓ **DR** entries in the journal/ analysis chart are posted to **DR** side in the ledger. **CR** entries in the journal/ analysis chart is posted to **CR** side in the ledger
- ✓ Given the transactions, first identify the accounts affected or separately prepare an analysis chart. Since we are preparing Sales Ledger Account, we will record the opposite account affected into the ledger with Sales amount.
 - Same side posting- meaning
- ✓ If Sales account is CR, you will record the opposite account name on the CR side of the ledger account with the amount for Sales.

T Account Format

itle
Credits Right

Illustrative Example:

- ✓ Revenue ledger accounts will not have opening balance
- ✓ **Note:** The total of the side [DR/CR] which is more will be recorded on both sides on the same line. Bal c/d and Bal b/f is the difference between the total which is more [\$3 300 CR] minus Total which is less [\$0 DR]. Record Bal c/d on the side which is less and should be above the total. Record Bal b/f on the side which is more and should be below the total.

Example & Sales Ledger Act (Revenue) ⇒ Note	e will not	Requir	red 3	Pn	epare	. Sa	les	Leciger
	pening Balance			AC	iount	in	T-1	brm
					Sale	s(R	ev)	1
Jan. 2 Cash sales	6.00		-		#	Jan	2. Ca	sh 60
6. credit sales to	800	Jan 31.	Bal	41	3300	6.	more	800
nere	/000					0.00	THE PERSON	h 100
10. Sold goods on cash	7000					12.	Ker	90
n. sold goods to	700	+		33	00			330
ken		-				Bal	6/4	330

Class Activity: XY Ltd has the following transactions for the month of March 2020.

March 1: Cash Sales \$1300

3: Sold goods on credit to Max \$600

6: Credit sales to Sam \$800

10: Sold goods on cash \$900

Required: Prepare Sales Ledger Account in T- form.