

Penang Sangam High School

Commercial Studies-Year 9

Strand 2: Business Information System 1

Sub-strand/the Accounting Process

Week 20

Greetings students

We will continue with our coverage. Topic: The Accounting process/Ledger Accounts

Achievement Indicators:

- ❖ Use double entry concept to post to ledger accounts
- ❖ Post, balance the ledger accounts using T form
- ❖ Prepare cash ledger accounts from transactions using T form.

Ledger Accounts

Lesson Notes:

- ✓ Ledger accounts follow the extended accounting equation rule.

$$\begin{array}{c} A + E + D \\ \uparrow \text{DR} \\ \downarrow \text{CR} \end{array} = \begin{array}{c} L + P + R \\ \uparrow \text{CR} \\ \downarrow \text{DR} \end{array}$$

- ✓ **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 Debtor Ledger Account, we will record the opposite account affected into the ledger with the debtor amount.
 - **Same side posting- meaning**
- ✓ If **Debtor account is DR**, you will record the **opposite account name on the DR side** of the ledger account with the **amount for debtor**.
- ✓ If **Debtor account is CR**, you will record the **opposite account name on the CR side** of the ledger account with the **amount for debtor**.

T Account Format

Account Title	
Debits Left	Credits Right

Illustrative Examples:

