Chapter 3: Journalizing Transactions: Chapter Overview

Vocabulary:

- journal
- journalizing
- entry
- double-entry accounting
- source document
- check

Chapter Overview

Journalizing Transactions: Chapter Objectives

Journalizing Transactions: Accounting in the Real World

Journalizing Transactions: Key Terms

Journalizing Transactions: Chapter Objectives

Learning Objectives

After studying Chapter 3, in addition to defining key terms, you will be able to:

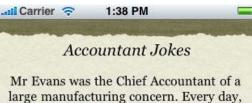
- ✓ LO1 Define what a journal is and explain why it is used to record transactions.
- ✓ LO2 Compare and contrast different types of source documents.
- ✓ LO3 Identify the four parts of a journal entry.
- ✓ LO4 Analyze and record cash transactions using source documents.
- ✓ LO5 Analyze and record transactions for buying and paying on account.
- ✓ LO6 Analyze and record transactions that affect owner's equity.
- ✓ LO7 Analyze and record sales and receipt of cash on account.
- ✓ LO8 Demonstrate when to end and how to start a new journal page.
- ✓ LO9 Identify and correct errors using standard accounting practices.

Competencies:

6320: Accounting

- 19: Demonstrate information technology skills.
- 35: Demonstrate the effects of transactions on the accounting equation.
- 36: Use source documents to journalize transactions.
- 38: Prepare customer invoices for a service business.
- 39: Receive vendor invoices for a service business.
- 41: Record transactions in a general journal.
- 50: Summarize the progression from source documents to journals to ledgers to financial reports for a service business.
- 51: Describe record-organization and retention-schedule procedures for a service business.
- 53: Maintain financial records for a service business, using accounting software.
- 101: Explore career opportunities in accounting.

- invoice
- sales invoice
- receipt
- memorandum



Mr Evans was the Chief Accountant of a large manufacturing concern. Every day, on arriving at work, he would unlock the top drawer of his desk, peer at something inside, then close and lock the drawer. He had done this for 25 years. The entire staff was intrigued but no-one was game to ask him what was in the drawer. Finally the time came for Mr Evans to retire. There was a farewell party with speeches and a presentation. As soon as Mr Evans had left the building some of the staff rushed into his office, unlocked the top drawer and peered in. Taped to the bottom of the drawer was a sheet of paper. It read, "The debit side is the one nearest the window."