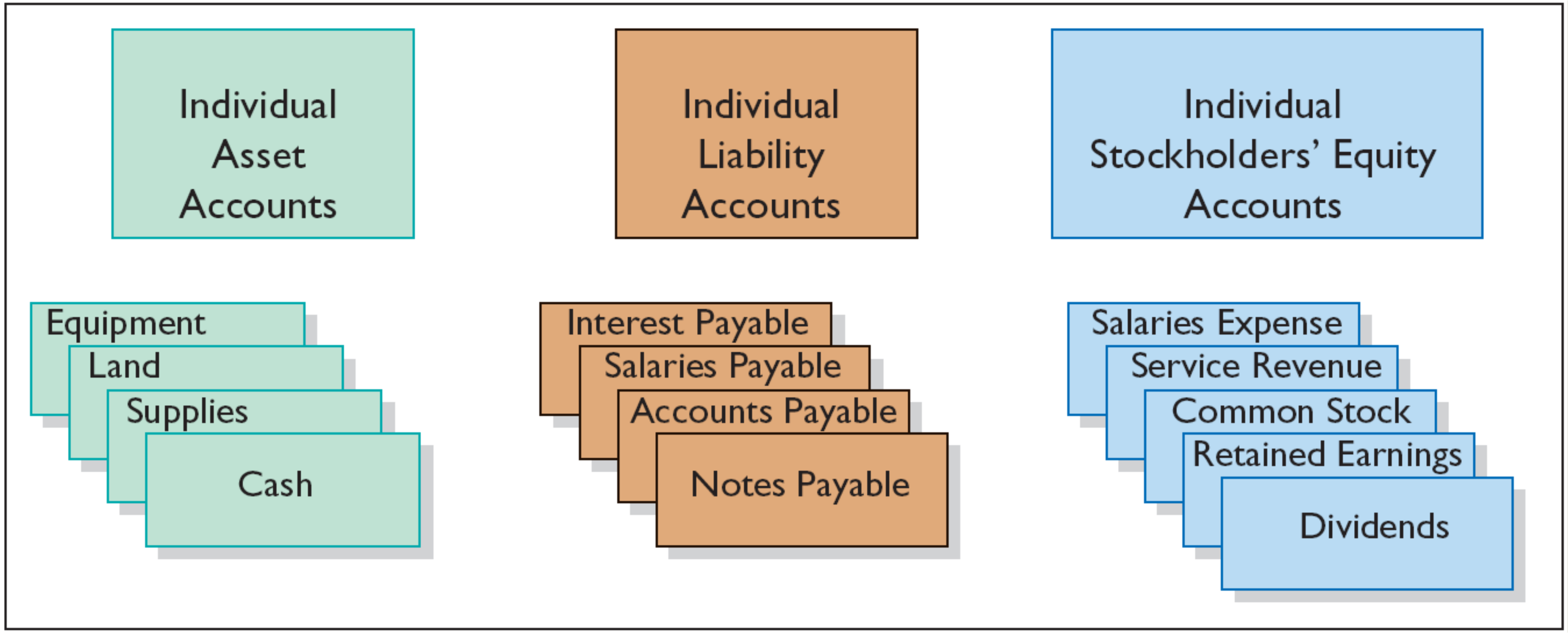
Chapter 5

General Ledger

8 steps of the accounting cycle include the following:

1. Transaction Analysis
2. Recoding Transactions in General Journal
3. Posting
4. Preparing Trial Balance
5. Adjusting Accounts
6. Preparing Working Papers
7. Closing Accounts
8. Preparing Financial Statements

General Ledger



Ledger **contains the entire group of accounts maintained by a company.**

Posting to the general ledger

- Posting to the general ledger involves recording detailed accounting transactions in the general ledger.

- It involves aggregating financial transactions from where they are stored in specialized ledgers and transferring the information into the general ledger.

General ledger

General Ledger Example Account

General Ledger Sheet				Sheet No: 21	
Account: Electricity Expense				Account No: 640	
Date	Details	Ref.	Debit	Credit	Balance
2018					
Mar 15	To Accounts Payable	J1	4,000		4,000
June 17	To Accounts Payable	J3	3,640		7,640
Sept 14	By Accounts Payable	J5		430	7,210

Posting to the general ledger

date	Account	Ref.	debit		credit	
1	Cash		250,000	-		
	Common stock				250,000	-

Cash

Debit / Dr.	Credit / Cr.
250,000	
250,000	

Common stock

Debit / Dr.	Credit / Cr.
	250,000
	250,000