

SUBJECT- FINANCIAL ACCOUNTING

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PREPARATION OF FINANCIAL STATEMENTS - POSTING TO THE LEDGER OF ACCOUNTS

Transactions are typically journalized soon after they occur. They are posted after some longer period of time. For example, they may be journalized daily and posted weekly or monthly.

This section explains how the transactions for PD Consulting Service for the month of June would be posted to the ledger.

The first transaction (June 1) involves ₹1,000 increase in cash and capital. Thus, the cash account would be debited ₹1,000. The entry is recorded as ₹1,000 on the left side of the cash account.

Next, the ₹1,000 increase in capital is recorded on the right side of the P.Dill. Capital account. These entries are shown below:

Ledger of Accounts

Cash	
1,000	

P.Dill, Capital	
	1,000

The remaining entries are posted in a similar manner. The ledgers of accounts for PD Consulting Service after posting is shown in Figure 3-4.

Financial Management for Pharmacists

PD Consulting Service Ledger of Accounts

Cash	P. Dill, Capital	Rent Expense
1,000	1,000	100
300		
1,100		

  

Accounts Receivable	P. Dill, Withdrawals	Phone Expense
200	100	25

  

Accounts Payable	Consulting Revenue
	500
25	

Figure 3-4 Ledger of accounts for PD Consulting service.