Taking the Willies out of Billy

The first horror you will face: Using an Ink Pen or Marker!

There is no research to support this…….(but we estimate the figure in the upper 90 percentile range)…..that you WILL make a mistake and WILL need to correct it…………so,

A sharpened pencil is a MUST!

along with a non-smudging eraser!

A ruler (see-through rulers are a dream!) can become your best friend when posting to the journal, the ledgers, and the worksheet……..
One other handy tool, a basic, dependable calculator . . . . .

The second horror you will face: There is more to this project than meets the eye . . . . .

Allot yourself plenty of time to work on this project.
Best advice: Book yourself for about 1 to 2 hours daily for 2 weeks, this will allow time to work out problems you are having and to present them to your professor.

The third horror you will face:
How do I even get started?

Start by numbering every page of the General Journal . . . . . . .

...........and number every row of the General Journal. Be sure to start the number sequence at 1 at the beginning of each page.

...........be sure to number every row of every ledger account. Be sure to start the number sequence at 1 at the beginning of each account.

by Kay Bush, Learning Center Assistant  
Revised 10/13/06
The fourth horror you will face:  
The journal and ledger pagers in Billy’s video look nothing like what we have done in class.

So first, let’s make a journal entry…

*The sample transaction is described as follows:*

On January 1st, John Seymour Smith invested $30,000 into the Seymour Eyeglass company.

*You will enter it into the journal as follows:*

- **Jan. 1, 2006**
  - **Cash:** 30,000
  - **John Seymour Smith, Investing:** 30,000

<table>
<thead>
<tr>
<th>Date</th>
<th>Account Title and Explanation</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1, 2006</td>
<td>Cash</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>Jan. 1, 2006</td>
<td>John Seymour Smith, Investing</td>
<td>30,000</td>
<td></td>
</tr>
</tbody>
</table>

Don't forget to use a pencil!!!!!

Now let’s post this journal entry to the ledgers.

This means that this transaction is posted on page 1, line 1 of the general journal.

We need to do just one more thing before going on to the next ledger account. Remember that cash is account 101 (♦) and we entered our transaction on line 1 (♦).

Posting to the Cash Ledger……

Still using a pencil? ……(just checking)

Return to the general journal and enter the account number (101) and line (1) in the box labeled Folio……

We are half way done with posting the investment transaction to the ledger. Now let’s post the stock/capital credit to the ledger……notice that it is on page one, line 2 of the General Journal.

This is done the same way as posting to the cash ledger……

….and don’t forget to post the account # and line # on the folio column of the general journal!

by Kay Bush, Learning Center Assistant

Revised 10/13/06
The fifth horror you will face:
I stopped working on the project, and when I came back to it, I can't remember where I was.

This is a great time saving tip that will keep you from getting lost AND will keep you from forgetting to post any transactions:

1. On January 1st, John Seymour Smith invested $30,000 into the Seymour Eyeglass company.

On your transaction list, make 3 columns labeled J, L, and C. As the transaction is posted to the journal, put a check in the J column. Ditto for the posting to the Ledgers. The C column is for making a double check that the folio column and reference post columns are filled out with the correct numbers.

The sixth horror you will face:
What is the point of the budget column in the ledger and why is there only one column?

We need to look at a cash account ledger with several postings so that the balance column will make sense.

One of the first things you learned in accounting was that Cash is always positive in the Debit Column and negative in the Credit column. Therefore, the balance column will always reflect the debit column, unless the number is in parenthesis (line4), then the balance reflects a “negative” balance.

Word of Advice:
"Double" Check all of your calculations before proceeding further. Catching a mis-calculation or mistake now will make the next phase of the project easier.

The seventh horror you will face:
The worksheet.

by Kay Bush, Learning Center Assistant

Revised 10/13/06
Word of Advice:

**DO NOT** start this phase of the project until **AFTER** you have completed all of the transactions to the general journal and the ledger accounts. Shortcuts will be your nemesis!

First Step:

List all of the Ledger Accounts in order as they appear in the workbook (even if you have not used that account yet !!!). The Account Number is not necessary, but makes cross referencing later go faster and easier!

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Debit</th>
<th>Credit</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>100</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>150</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Supplies</td>
<td>200</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Equipment</td>
<td>300</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>50</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

Second Step: Post the **Balance** in the appropriate column (debit or credit) and the appropriate line for each account.

Finding these to be valuable tools?........thought so....

The eighth horror you will face:

**The columns on my worksheet do NOT balance !!!**

First, add up each column again......it may take up to......

1......2......3......times

Before you catch the mistake!

My debit and Credit Columns STILL do NOT balance!!!!!!

by Kay Bush, Learning Center Assistant

Revised 10/13/06
Check and double check to make sure that your account balances are in the right column and make the necessary moves.

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>DATE</th>
<th>BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>1/1</td>
<td>1000</td>
</tr>
<tr>
<td>200</td>
<td>2/1</td>
<td>500</td>
</tr>
<tr>
<td>300</td>
<td>3/1</td>
<td>200</td>
</tr>
</tbody>
</table>

**NOW**

**WHAT??????????
I just want it to balance !!!!!

Stay calm...you are not drowning yet........

Search back to the ledgers and general journal for any misprints, or miscalculations......

Word of Advice:

What is the difference between the summation numbers in the debit and credit column?..........Does the number “ring a bell” to a transaction figure?........................

“Sometimes, if there is only one mistake, the transaction amount will be ½ the difference between the debit and credit columns. For instance, if a debit is posted on the credit side, or the other way around, you will be off by twice the amount of the transaction. This is because one side is too high and by that amount, AND the other side is too low by the same amount.”¹

¹ Bobby Rubion, Blinn College Faculty

I GIVE UP !!!!!!!

These 2 columns will never balance !!!!!!!!!!!!!

Cool your jets........

If you have followed the advice on allowing plenty of time for this project...........

Take your workbook to your professor or see a Learning Center tutor for help on your project !!!!!
We hope that you picked up a few pointers and tips for working on Billy’s Video..........  

GOOD
LUCK !!!!