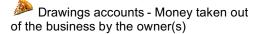
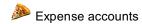
The General ledger.

The General ledger contains all the other accounts of the business which are not connected with customer sales, purchases from clients or cash and bank accounts. The sort of accounts that would be held in the general ledger would be things such as:



Asset Accounts (i.e. fixtures and fittings, equipment / machinery, furniture etc.)





Equipment / Machinery Account									
DR					CR				
Debit Side				Credit Side					
Date	Details	Folio	Amount	Date	Details	Folio	Amount		
May 01	Balance b/d		19,015.00						
May 09	Credit purchase of oven liner (Ovens 'R' Us)	C950	160.00						
				May 15	Sale of hot-plates	C963	75.00		
				May 31	Balance c/d		19,100.00		
			£19,175.00				£19,175.00		
June 01 Balance b/d			£19,100.00						

What this shows was that on May 01 Pepe's Pizza Parlour owned equipment to the value of £19 015 00

On May 09 Pepe purchased an oven liner on credit for £160.00. Pepe was the receiver of equipment and the account was therefore debited.

On May 15 Pepe sold hot-plates on credit to the value of £75.00. Pepe was the giver and the account is therefore credited.

On May 31 the account was balanced off and at this point Pepe's Pizza Parlour owned furniture to the value of £20,000.00.

The furniture account owes Pepe this figure. It is therefore his debtor and the account balance is carried down to the **left** hand side of the ledger.

The Debtor's ledger.

In the case of Pepe's Pizza Parlour the debtor's ledger will consist mainly of the accounts of businesses who purchase goods or services off Pepe i.e. sales. These goods and services are normally purchased on credit. Nearly all goods and services sold are paid for an agreed number of days after the transaction itself (i.e. 30 days, 60 days, 90 days etc.). During this period those parties purchasing the goods would be in debt to Pepe's Pizza Parlour. They are Pepe's debtors.

repes debiors.								
Mr. P. Thompson								
DR				CR				
Debit Side			Credit Side					
Date	Details	Folio	Amount	Date	Details	Folio	Amount	
May 01	Balance b/d		850.00					
May 08	Credit sale (outside catering)	C812	500.00					
				May 16	Payment received	R250	700.00	
				May 31	Balance c/d		650.00	
			1,350.00				1,350.00	
June 01 Balance b/d			650.00					

What this shows was that on May 01 Mr. P.Thompson owed Pepe £850.00. On May 08 Pepe sold an outside catering service to him on credit at a cost of £500.00. Mr Thompson was the receiver of this service and his account is therefore debited. On May 16 £700.00 fell due for payment to Pepe from Mr.Thompson and the amount was paid. In this case Mr. Thompson is the giver of money and his account is therefore credited. On May 31 the account was ruled off and at this point Mr. Thompson owed Pepe's Pizza Parlour £650.00

He is Pepe's debtor and so the account balance is carried down on the **left** hand side of the ledger.

The Creditor's ledger.

The creditors ledger will consist mainly of the accounts of businesses with whom goods are purchased on credit. Nearly all goods and services are paid for an agreed number of days after the transaction itself (i.e. 30 days, 60 days, 90 days etc.). When Pepe buys goods and services he is in debt to these businesses during the credit period. They are his *creditors*.

Mr. R. Sandborne									
DR			CR						
Debit Side	Debit Side				Credit Side				
Date	Details	Folio	Amount	Date	Details	Folio	Amount		
				May 01	Balance b/d		320.00		
				May 06	Purchase of Eggs	C912	50.00		
May 15	Payment for goods	C909	305.23						
May 31	Balance c/d		64.77						
		370.00				370.00			
				June 01 B	64.77				

What this shows was that on May 01 Mr. Sandborne was owed £320.00 by Pepe's Pizza Parlour.

On May 06 Pepe purchased £50.00 worth of eggs from him on credit. Mr. Sandborne is therefore the giver of goods and his account is therefore credited.

On May 15 £305.23 fell due for payment to Mr. Sandborne and the amount was paid. In this case Mr. Sandborne was the receiver of money and his account is therefore debited. On May 31 the account was ruled off and at this point Mr. Sandborne was owed £64.77 by Pepe's Pizza Parlour.

He is Pepe's creditor. The account balance is carried down on the **right** hand side of the ledger.

The Cash Book.

The cash book shows the amount of money flowing in and out of a business. It may be made up of several "accounts" i.e. There may be a separate account to show the amount of cash in the business and the amount at the bank. Receipts are shown on the left hand side of the ledger and payments shown on the right. Just like the other ledgers the cash book can be balanced off at any time.

	Midley's Bank Account No. 7060440 Pepe's Pizza Parlour								
DR - R	Receipts			Payments - CR					
Date	Details	Cheque No.	Amount	Date	Details Cheque No.		Amount		
				May 01	Balance b/d		1,945.77		
				May 10	Purchase of flour (Mr. Alberto)	2030219	200.00		
				May 15	Mr. R. Sandborne	2030220	305.23		
May 16	Mr. P. Thompson	7060531	700.00						
				May 18	>Cook's cash and carry	2030221	89.00		
				May 23	Payment for oven liner (Ovens 'R' Us)	2030222	160.00		
May 31	Balance b/d		2,000.00						
			2,700.00	2,700.00			2,700.00		
	Balance b/d						2,000.00		

What this shows was that on May 01 the balance in Pepe's Midley's bank account no. 7060440 was £1,945.77 overdrawn.

On May 10 a payment of £200.00 was made to Mr. Alberto. The account was a giver of money and is therefore credited.

On May 15 a payment of £305.23 was made from the account to Mr. R. Sandborne. The account was a giver of money and is therefore credited.

On May 16 £700.00 fell due for payment from Mr. Thompson and the amount was paid into the account. The account was a receiver of money and was therefore debited.

On May 23 a payment was made from the account to Ovens 'R' Us. The account was a giver of money and was therefore credited.

JENNA-MARIE OHARA

On May 31 the account was balanced off and was £2,000.00 overdrawn. Pepe's Pizza Parlour owes the account this figure. It is therefore Pepe's creditor and the account balance is carried down to the **right** hand side of the book.