

What is the Ledger and Posting Process?

Worksheet

Posting is the process of copying debit and credit amounts from journal entries into the corresponding accounts in the general ledger, updating each account's running balance.

Questions

1. What is posting in accounting?

- A) Writing the first record of a transaction
- B) Transferring journal entries to ledger accounts
- C) Preparing the income statement
- D) Closing temporary accounts

2. Which comes first in the accounting cycle?

- A) Posting to the ledger
- B) Journalizing the transaction
- C) Preparing the trial balance
- D) Preparing the balance sheet

3. A Cash account has a \$6,000 debit balance. A \$2,000 credit is posted. What's the new balance?

- A) \$8,000 debit
- B) \$4,000 debit
- C) \$4,000 credit
- D) \$8,000 credit

4. What does a posting reference in the journal typically show?

- A) The transaction date
- B) The ledger account number the entry was posted to
- C) The customer's name
- D) The tax rate

5. A journal entry debits Cash \$2,000 and credits Service Revenue \$2,000. Post it to the ledger.

6. The Cash ledger account starts with a \$4,000 debit balance. A new entry posts a \$1,500 credit. Find the new balance.

7. Accounts Payable starts with a \$3,000 credit balance. A \$1,000 debit is posted (payment made). Find the new balance.

8. Define: What is the general ledger?

9. Define: What does 'posting' mean?

10. Define: What is a posting reference?

Answer Key

1. B) Transferring journal entries to ledger accounts - Posting moves debit/credit amounts from the journal into the ledger's individual accounts.
2. B) Journalizing the transaction - A transaction must be journalized before it can be posted to the ledger.
3. B) \$4,000 debit - 6,000 2,000 = 4,000, and since debit still exceeds credit, it's a debit balance.
4. B) The ledger account number the entry was posted to - It links the journal line to the specific ledger account it was posted into.
5. Open the Cash ledger account enter \$2,000 on the debit side, update balance Open the Service Revenue ledger account enter \$2,000 on the credit side, update balance Record the journal page number in each account's posting-reference column
6. Starting balance = \$4,000 debit Post \$1,500 credit New balance = 4,000 1,500 = \$2,500 debit
7. Starting balance = \$3,000 credit Post \$1,000 debit New balance = 3,000 1,000 = \$2,000 credit
8. The complete collection of all accounts a business uses, each showing its debits, credits and running balance.
9. Transferring debit and credit amounts from the journal into the matching ledger accounts.
10. A cross-reference (journal page number in the ledger, account number in the journal) that links each entry to its posting.

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