


# LECTURE 5

# BOOKS OF ORIGINAL ENTRY



Education Beyond Borders

# LEARNING OUTCOMES

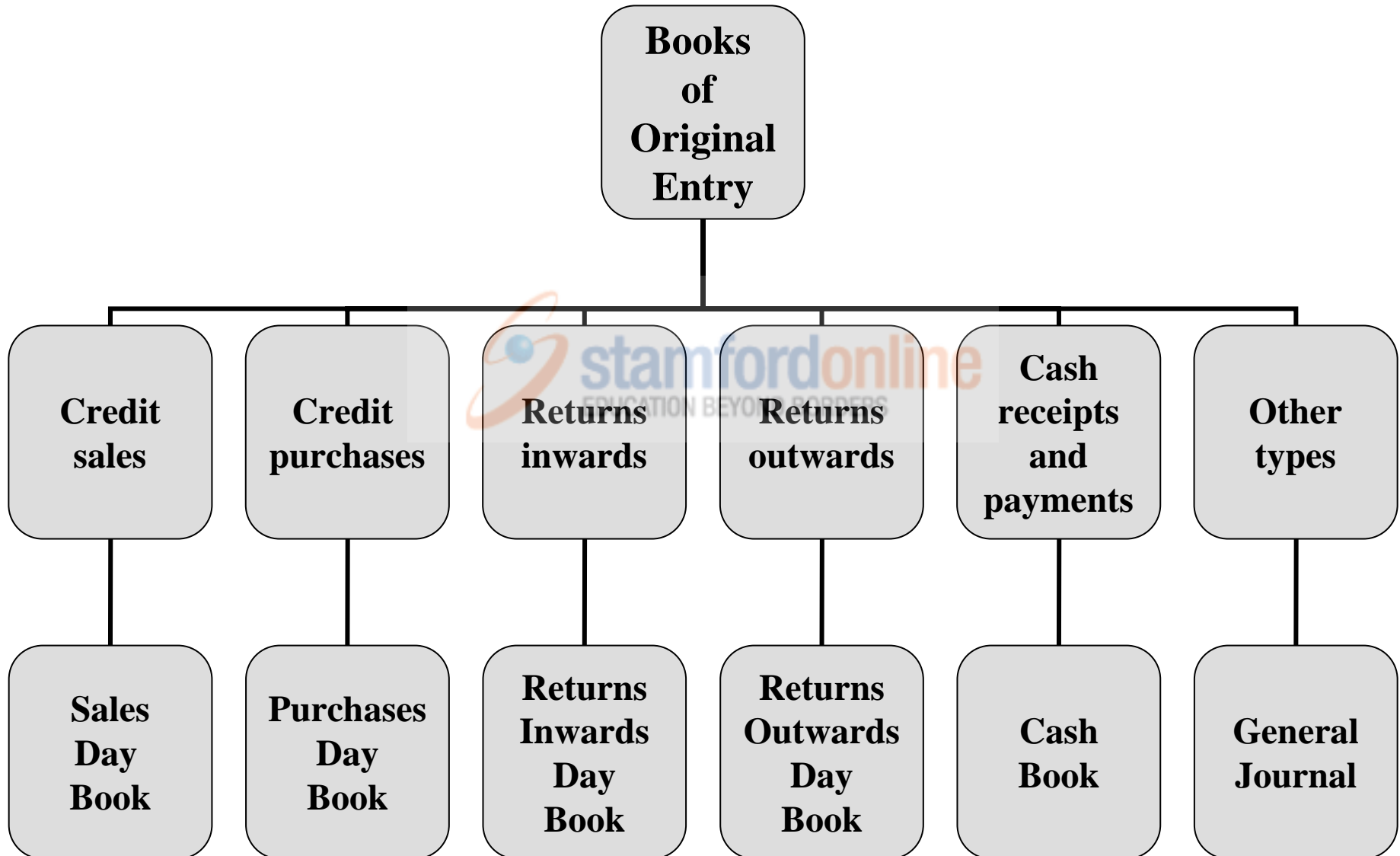
Upon completion of the lecture, the students should be able to:

- List down the main books of accounts and relate how the transactions are entered into the appropriate books.
- Describe the process of recording transactions into the books of original entry.

# Types of Books of Original Entry

- **Books of original entry are the books in which we first record transactions. These books are known as either journal or day books. The commonly used books of original entry are:**
- **Sales Day Book [or Sales Journal]: for credit sales.**
- **Purchases Day Book [or Purchases Journal]: for credit purchases.**
- **Returns Inwards Day Book [or Returns Inwards Journal]: for returns inwards.**
- **Returns Outwards Day Book [or Returns Outwards Journal]: for returns outwards.**
- **Cash Book: for receipts and payments of cash and cheques.**
- **General Journal: for other items.**

# Diagram of the Books Commonly Used



# Types of Ledgers

- **Sales Ledger:**

**This is for customers' personal accounts.**

- **Purchases Ledger:**

**This is for suppliers' personal accounts.**

- **General Ledger:**

**This contains the remaining double-entry accounts, such as those relating to expenses, fixed assets, and capital.**

# Types of Accounts

- **Personal Accounts**

**These are the debtors and creditors.**

- **Impersonal Accounts**

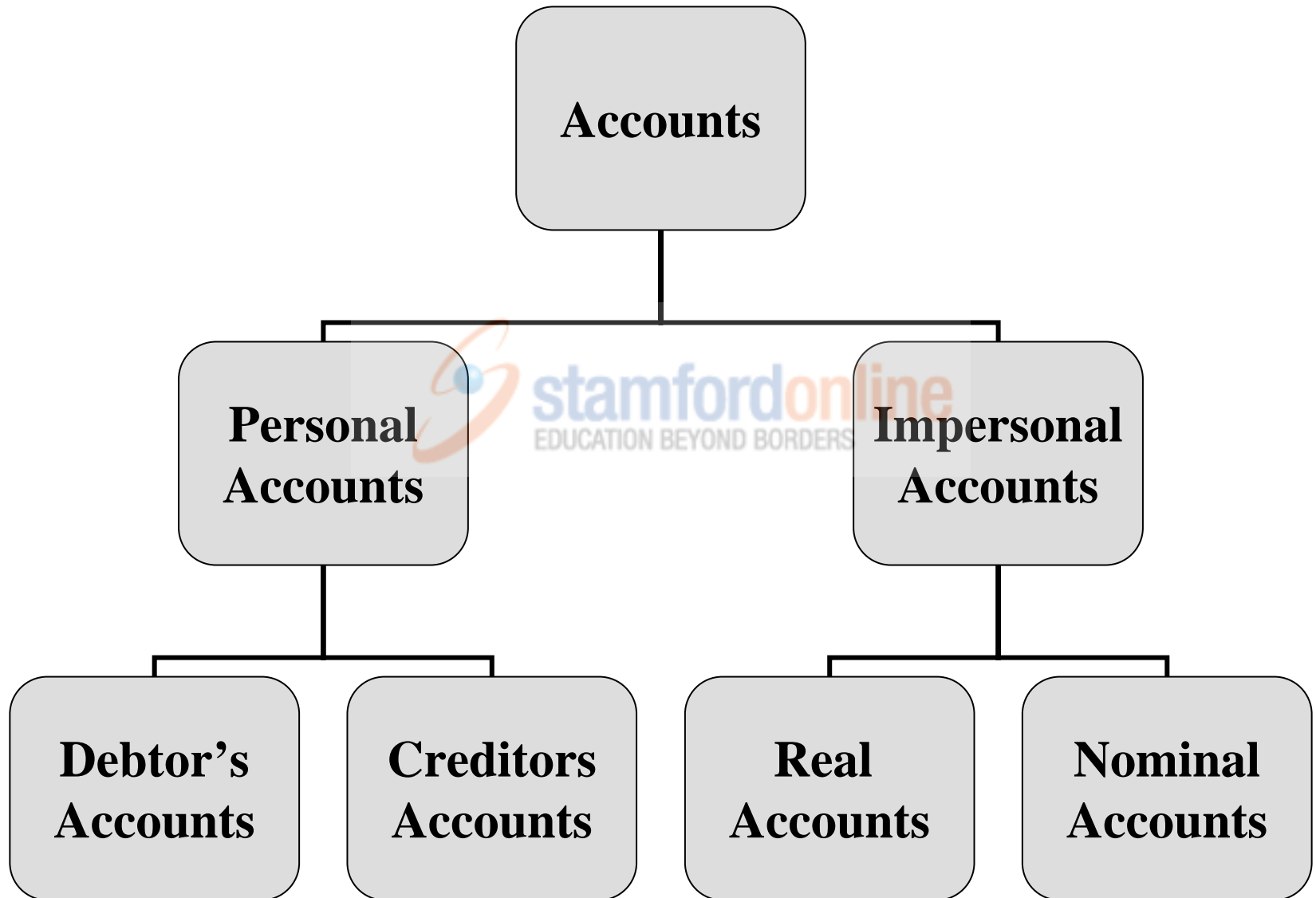
**Divided into:**



**Real Accounts:** accounts in which possessions are recorded.

**Nominal Accounts:** accounts in which expenses, income, and capital are recorded.

# Diagram of Accounts



# Business Transactions Recording Processes

**All Business Transactions**

**Classify the Business Transactions**  
**[Credit sales or purchases etc.]**

**Enter into the**  
**Books of Original Entry**

**Enter in Double-entry Accounts**  
**of the Various Ledgers**

