

# Accounting Guide: Special Journals and System Comparison

This guide provides specific instructions for using special journals in a manual accounting environment and explores the evolution from manual to computerized accounting systems.

## Part 1: How to Enter Journal Entries in Special Journals

Special journals are designed to record high-volume, repetitive transactions. Using them replaces the need to record every detail in the General Journal, saving time and reducing ledger clutter.

### Understanding the Column Headings

Before viewing the journals, it is important to understand the standard architecture of a manual journal page:

- **Date:** Transaction or source document date.
- **Account:** Subsidiary or General Ledger account affected.
- **Inv/Chk No:** Source document reference for the audit trail.
- **PR (Post Ref):** Initially blank. Mark with account number or (✓) once posted.
- **Special Columns:** For repetitive transactions; only totals are posted monthly.
- **Other:** For infrequent transactions posted individually.

### 1. Sales Journal (SJ)

**Purpose:** Record all merchandise sales made **on credit**.

Date	Account Debited	Inv. No	PR	A/R Dr. / Sales Cr.
Oct 01	ABC Corp	101	110	\$1,200
Oct 05	XYZ Ltd	102	112	\$850
Oct 12	Delta Inc.	103	115	\$2,400
Oct 18	Alpha Services	104	118	\$1,100
Oct 25	Omega Group	105	120	\$900
Oct 28	Smith & Co.	106	122	\$550

Total				\$7,000
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## 2. Purchases Journal (PJ)

**Purpose:** Record all merchandise/supplies purchases made **on credit**.

Date	Account Credited	Inv. Date	PR	Purch. Dr / A/P Cr
Oct 03	Global Supplies	Sep 30	201	\$500
Oct 08	Tech Solutions	Oct 07	205	\$1,100
Oct 15	Prime Inventory	Oct 14	210	\$3,200
Oct 19	National Tools	Oct 18	215	\$750
Oct 22	Office Depot	Oct 20	220	\$150
Oct 29	Vertex Wholesalers	Oct 27	225	\$2,300
<b>Total</b>				<b>\$8,000</b>

## 3. Cash Receipts Journal (CRJ)

**Purpose:** Record **all cash coming into the business**.

Date	Account Credited	PR	Cash(Dr)	S.Disc(Dr)	A/R(Cr)	Sales(Cr)	Other(Cr)
Oct 10	Cash Sales	✓	\$400			\$400	
Oct 12	ABC Corp (Inv	✓	\$1,176	\$24	\$1,200		

	101)						
Oct 15	National Bank Loan	250	\$5,000				\$5,000
Oct 20	XYZ Ltd (Inv 102)	✓	\$850		\$850		
Oct 22	Cash Sales	✓	\$620			\$620	
Oct 30	Delta Inc. (Inv 103)	✓	\$2,352	\$48	\$2,400		
<b>Total</b>			<b>\$10,398</b>	<b>\$72</b>	<b>\$4,450</b>	<b>\$1,020</b>	<b>\$5,000</b>

#### 4. Cash Disbursements Journal (CDJ)

**Purpose:** Record all cash going out of the business.

Date	Chk	Account Debited	PR	Cash(Cr)	P.Disc(Cr)	A/P(Dr)	Other(Dr)
Oct 02	501	Rent Expense	610	\$1,000			\$1,000
Oct 14	502	Global Supplies	✓	\$490	\$10	\$500	
Oct 20	503	Utilities Exp	620	\$150			\$150
Oct 25	504	Tech Solutio	✓	\$1,100		\$1,100	

		ns					
Oct 27	505	Drawings (Owner )	301	\$500			\$500
Oct 31	506	Office Depot	✓	\$150		\$150	
<b>Total</b>				<b>\$3,390</b>	<b>\$10</b>	<b>\$1,750</b>	<b>\$1,650</b>

## 5. General Journal (GJ)

**Purpose:** Record miscellaneous items like adjustments or returns.

Date	Account / Explanation	PR	Debit	Credit
Oct 04	Office Equipment	150	\$3,000	
	A/P—Tech Corp	201		\$3,000
	<i>(Copier on account)</i>			
Oct 15	Sales Ret. & Allow.	410	\$100	
	A/R—ABC Corp	110		\$100
	<i>(Return of goods)</i>			
Oct 31	Depreciation Exp.	650	\$200	
	Accum. Depr.	155		\$200
	<i>(Adjusting</i>			

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## Part 2: Manual vs. Computerized Systems

Feature	Manual System	Computerized System
<b>Data Entry</b>	Entered multiple times.	Entered once; auto-updates.
<b>Errors</b>	Common; hard to find.	Built-in validation/accuracy.
<b>Journals</b>	Special journals essential.	Modules & database tags.
<b>Speed</b>	Labor intensive.	Instantaneous reporting.

### Why Computerized Systems Don't Use Special Journals

In a manual system, special journals are a **physical necessity** to keep the General Ledger manageable. In a computerized system (like QuickBooks or SAP), the concept is replaced by:

1. **Relational Databases:** Transactions are stored in one table and "tagged" as an Invoice, Payment, or Bill.
2. **Transaction Modules:** Specialized screens (e.g., "Invoicing") handle the data entry.
3. **Instant Posting:** Computers post in **real-time**.
4. **General Journal Role:** Becomes a tool for manual adjusting entries or non-standard transactions.

### Summary of Workflow Change

- **Manual:** Transactions flows to Special Journal and the Monthly Totals flow (post) to the General Ledger.
- **Computerized:** Transactions flow (input) to Databases and the General Ledger is Automatically Updated.