

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
Total				\$8,000

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		
Total			\$10,398	\$72	\$4,450	\$1,020	\$5,000

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	
Total				\$3,390	\$10	\$1,750	\$1,650

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>			

	entry)			
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Part 2: Manual vs. Computerized Systems

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