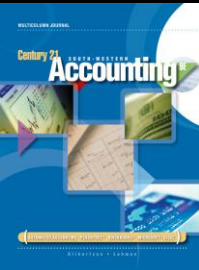# LESSON 3-2

Journalizing Buying Insurance, Buying on Account, and Paying on Account

PAID CASH FOR INSURANCE
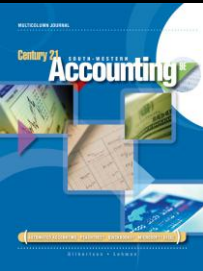
August 4. Paid cash for insurance, $1,200.00. Check No. 2.

1. Write the date in the Date column.

2. Record the debit amount in the General Debit column. Write the title of the account in the Account Title column.

3. Write the credit amount in the Cash Credit column.

4. Write the source document number in the Doc. No. column.

BOUGHT SUPPLIES ON ACCOUNT

August 7. Bought supplies on account from Supply Depot, $500.00. Memorandum No. 1.

JOURNAL — PAGE 1

			DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL DEBIT	GENERAL CREDIT	SALES CREDIT	CASH DEBIT	CASH CREDIT
1	**2**	**4** **2**	7	Supplies	M1		50000					4
		3 **3**		Accounts Payable—Supply Depot				50000				5

1. Write the date in the Date column.
2. Record the debit amount in the General Debit column. Write the title of the account in the Account Title column.
3. Record the credit amount on the next line in the General Credit column. Write the title of the account in the Account Title column.
4. Write the source document number in the Doc. No. column on the first line of the entry.

Supplies

500.00	

Accts. Pay.—Supply Depot

	500.00

PAID CASH ON ACCOUNT

August *11. Paid cash on account to Supply Depot, $300.00. Check No. 3.*

1. Write the date in the Date column.

2. Record the debit amount in the General Debit column. Write the title of the account in the Account Title column.

3. Write the credit amount in the Cash Credit column.

4. Write the source document number in the Doc. No. column.