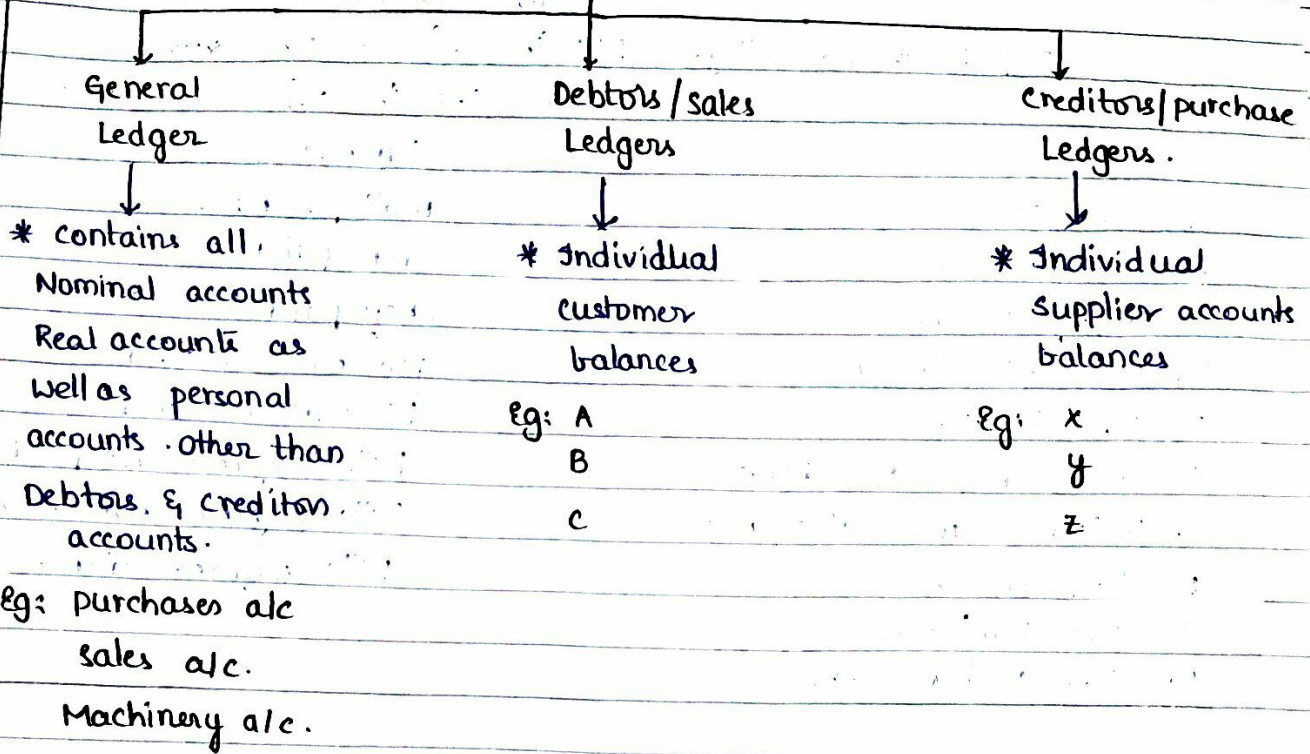




Self Balancing and Sectional Balancing Ledger

Ledger types



* Self Balancing ledger helps in finding the errors that affect trial balance.

Ex -> Some extra ledgers accounts are maintained.

(i) Debtors ledger adjustment account.

(ii) Creditors ledger adjustment account.

* In General Ledger we maintain

* Debtors ledger adjustment account in General Ledger.

* Creditors ledger adjustment account in General ledger.

* Similarly we maintain

* General ledger adjustment st account in Debtors ledger.

* General ledger adjustment account in creditors ^{ledger} purchase.

Eg:- Credit purchases

general entry :- purchases a/c Dr
To X a/c.

self balancing entry => General ledger adjustment ^{in CL} a/c.
To Creditors ledger adjustment a/c _{in G.L}

Dishonour the bill entries

□ Bills discounted is Dishonoured

Debtors a/c Dr
To Bank a/c.

□ Bill is Endorsed

Debtors a/c Dr ~~credit Bills receivable~~
To Creditors

□ Bill is retained with Drawer

Debtors a/c Dr
To Bills receivable

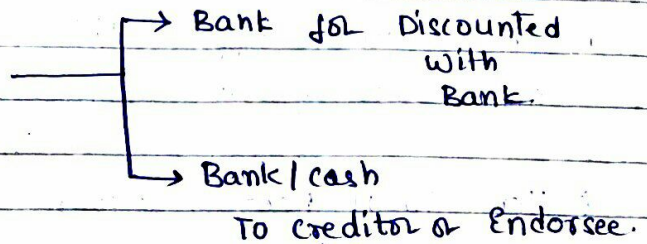
Bills payable related entries.

* → 1. Draw the bill

creditors a/c Dr
To Bills payable a/c.

2. Honor^y the Bill

Bills payable a/c Dr
To Bank / cash



3. Dishonour of Bill.

Bills payable a/c Dr
To creditors a/c.

Entries by way of self balancing ledger for periodic intervals not for each entry.

Format of Debtors ledger adjustment a/c.
Debtors Ledger adjustment account in

Dr.	General Ledger		Cr.
Particulars	₹	Particulars	₹
To bal b/d	xxx	By Bal b/d.	xxx
To General Ledger adj a/c.		(Advances from customer)	
- credit sales		By General Ledger adjustment a/c.	
- cheque Dishonour		- cash received	
- Discount (Disallowed)		- Bad debts.	
- Bills receivable		- Discount allowed	
To bal c/d	xxx	- Transfer to ^{from} creditors ledger.	
	xxx	By Bal c/d	xxx
			xxx

* Rectification of errors

* Errors of Commission are not to be recorded in control a/c's as they don't affect the control accounts.

Eg: sales of 5000 recorded as 500.

sectional balancing ledgers

* Here Total Debtors account & Total creditors ^{a/c} are maintained in General Ledger.

* Under sectional balancing ledger one section ^{of} ~~the~~ can be prepared for Trail Balance.

		<u>Total Debtors account</u>			
Date	particulars	₹	Date	particulars	₹
	To Bal b/d			By bal b/d	
	To credit sales			By cash / cheque received.	
	To B/R Dishonoured			By Discount allowed.	
	To Interest & charge			By Bad debts.	
	To cash paid to Debtors			By returns inward.	
	To bal c/d			By Bills receivable.	
				By Transfer	
				By bal c/d.	

* It is a Memorandum account and Double entry principle does not apply as the entry effects in Debiton & sales, and (credit sales) such figure is entered in Total Debtors.