

Four different special journals essay



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Four different special journals are sales journal, purchase journal; cash receipt journal and cash payment journal. They all are special journal being used to record data of recurring nature. A transaction in accounting is recorded with the help of journal entry. To avoid passing entries all time of transactions of same nature, they are recorded in special journal. In this way some repetition of work is avoided, and it helps doing ledger posting specially when using manual accounting system.

One can also see all transaction of same nature at one place in its respective special journal. Sales journal records all transactions related to sales, credit purchase is recorded in purchase journal, and all cash receipts and payments are recorded in cash receipts and payments journal. Subsidiary ledger is used to keep record of all customers and suppliers separately. The individual account is maintained in subsidiary ledger.

It helps in knows what is to be received from a customer and what is to be paid to a supplier. The total of all individuals account are kept in control account. If one wants to see the total amount receivable from all customers and payable to all suppliers, it can be found in control account. One can use subsidiary ledger account with control account of general ledger. All sales on credit and all purchases on credit are recorded in control account of account receivable and account payable and also to individual account in subsidiary ledger. Subsidiary ledgers help in reconciling the figure of both ledgers.

It is also a type of good internal control, if subsidiary ledger is maintained by some other employee than who is maintaining general ledger.