

KBC Enrichment Project

Overview:

This is a plan for students who are ahead of schedule and want to complete KBC exercises after the required chapters 3, 4, 5 and 6. The students will fill in Excel sheets for the special journals, General Ledger entries, Payroll Skips, Petty Cash and then post the appropriate entries into the Excel General Ledger sheet. When all entries have been posted the **TB** tab holds the completed trial balance.

Filling in the Start Files:

Students will start with a file for each chapter. This is an example of the start file for Chapter 7.

Filling In the Start Files – Special Journals and Other Forms:

All the special journals and other forms that have to be filled in for any KBC exercise are presented as tabs in a Chapter Start file. An example of a Purchase Journal is shown below:

PURCHASE JOURNAL													PJ 2	
Account Credit						Account Debit						Other Accounts		
Invoice Date	Name of Supplier	Inv No	Terms	F	Accounts Payable	Purchases Paint & Supplies	Purchases Wallpaper	GST-ITC			Account	F.	Amount	
20--					-									
Mar 11	Coleman Industries	407	2/10, n/30	250	-									
15	Coleman Industries	cn		250	-									
20	Rainbow Supplies	49	1/10, n/30	253	-									
24	Rainbow Supplies	49cn		253	-									
					-									
					(201)	(504)		(207)						

As you can see much of the information you would have to fill in is already entered. All you have to do is fill in the amounts for the materials purchased, compute the tax in the GST-ITC column and the total of all amounts will appear in the Accounts Payable column. Any place you notice a single dash (-) in a cell indicates that it contains a formula which you can view by clicking on that cell.

When you have completed all the forms except the trial balance of course, check your answers against those given in Moodle.

Posting Your Special Journals to the GL and the A/P and A/R Ledgers:

The next step is to open the **KBC-GL-AR-AP-Master.xlsx** Excel spread sheet and make sure that it is open to the **Posting** tab to start. To post totals in any ledger sheet click on the **link** to the left of its name. For example clicking on the **250** to the left of Coleman Industries will open that ledger sheet. To return to the index click on the **Return to Index** button on each ledge sheet.

250	COLEMAN INDUSTRIES
251	MAJOR OFFICE SUPPLIES
252	MITCHELL ADVERTISING
253	RAINBOW SUPPLIES

[Return to Index](#)

To the left is what your Purchase Journal for March will look like. The standard procedure for manual bookkeeping is to transfer amounts from the **Purchase Journal** and **Sales Journal** to the A/P and A/R ledgers as they occur. This ensures that you always have an up-to-date summary of what you owe each vendor and what your customers owe you. In this example we will transfer the two amounts indicated by the red arrows.

PURCHASE JOURNAL								
Account Credit					A			
Invoice Date	Name of Supplier	Inv No	Terms	F	Accounts Payable	Purchases Paint & Supplies	Purchases Wallpaper	GST-ITC
20--								
Mar 11	Coleman Industries	407	2/10, n/30	250	3,150.00	3,000.00		150.00
15	Coleman Industries	cn		250	(210.00)	(200.00)		(10.00)
20	Rainbow Supplies	49	1/10, n/30	253	3,675.00	3,500.00		175.00
24	Rainbow Supplies	49cn		253	(315.00)	(300.00)		(15.00)
					6,300.00	6,000.00		300.00
					(201)	(504)		(207)

Here I have posted the two entries in the **250-Coleman Industries** ledger. Since the second number (210.00) is a refund and the amount fall on the Credit side it should be posted in the **Debit** column

	A	B	C	D	E	F	G	H	I
	Date	Memo	Disc Date	Folio	Debit	Credit	DR/CR	Balance	
1	Mar 11	Inv 407 n/30		PJ2		3,150.00	CR	3,150.00	
2	15	c/n on Inv 407		PJ2	210.00			2,940.00	
3	Apr 10	on Inv 407		CPJ3				2,940.00	
4	15	Inv 430 n/30		PJ3				2,940.00	

Cell J1 holds either **CR** or **DR** and gets it from the bottom filled in cell in column **G**. Cell J2 holds the current total. Again this is the bottom filled in cell in column **H**. These two pieces of information, which are always in the same position, are used to update the totals in either the **AR-AP** tab or the **TB** (trial balance) tab.

Debit	Credit	DR/CR	Balance	CR
	3,150.00	CR	3,150.00	\$ 2,940.00
210.00			2,940.00	
			2,940.00	

When you have posted all PJ, SJ, CRJ and CPJ Journals and any GJ entries you may have the **TB's Debit and Credit** column totals should be equal. To ensure that your **AR-AP** tab totals are correct compare them to account **105 – Account Receivable Control** and **201 – Accounts Payable Control**. They should match!

Schedule of Accounts Payable		Debits	Credits
250	Coleman Industries	-	2,940.00
251	Major Office Supplies	-	-
252	Mitchell Advertising	-	-
253	Rainbow Supplies	-	-
254	Reynolds Paper Co.	-	1,050.00
255	Spencer Paper Products	-	-
	Totals		3,990.00


Acc#	Account Description	Debits	Credits
128	Accum Amort: Tools & Equip	\$ -	\$ -
201	Accounts Payable Control	\$ -	\$ 3,990.00

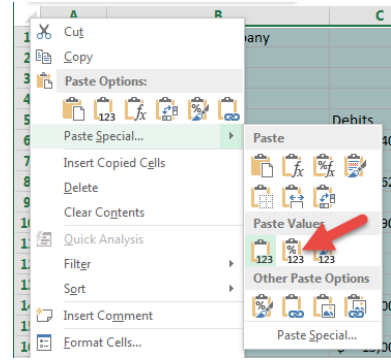
It is a good idea to use Excel's **highlighter** to color each of the **folio numbers** on the PJ, SJ, CRJ and CPJ Journals as you post each entry. You can find the highlighter in the **Font** box on the **Home** Tab.

KBC Enrichment Exercise – Tidying Up the Trial Balance:

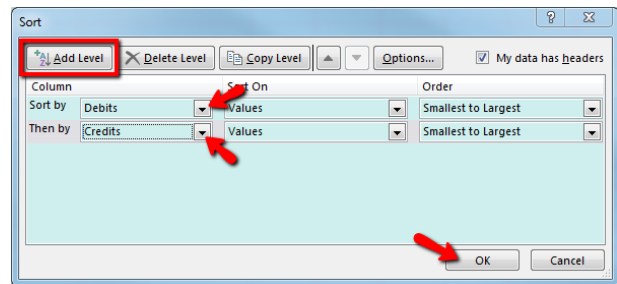
When you have posted everything correctly the totals of the Debit and Credit columns will be **equal** and match the answer given in Moodle. From here on your numbers for the month of March will not match this documentation. I am going to show you how to create a Trial Balance to copy to your completed chapter file using the trial balance at the end of February from the Start file.

Acc#	Account Description	Debits	Credits
	KBC Decorating Company		
	Trial Balance		
	Mar 31, 20--		
101	Bank	\$ 36,408.00	\$ -
103	Petty Cash Fund	\$ -	\$ -
105	Accounts Receivable Control	\$ 2,627.25	\$ -
546	Warehouse Supplies Expense	\$ 226.80	\$ -
547	Workers Compensation Exp	\$ -	\$ -
		\$ 101,291.75	\$ 101,291.75

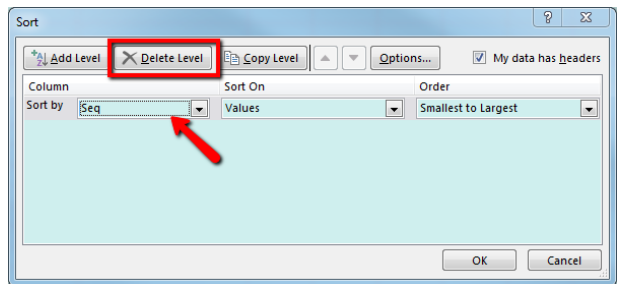
With the **TB** tab active, copy the range A1-E69 to the clipboard. This range includes column E that contains the line sequence numbers. Switch to the **Clean TB** tab, make sure it is empty, and **right click** on the cell to the **left of A** and **above 1**. In MS-Office 2013 this cell contains this symbol.  Hover over **Paste Special** and then choose the **second symbol** under **Paste Values** to paste the values with formatting. When you have done this correctly all the formulas should be gone from the sheet.



Normally you want to get rid of the blank rows (rows that have no debit or credit total) in the trial balance. We can use a sort to accomplish this. On the ribbon bar select the **Data** tab. Click anywhere in the trial balance and then click on the **Sort and Filter** icon in the **Sort and Filter** box. The sort box will appear. Make sure that the **My data has headers** box is checked. Next click the **Add Level** button once to get a second sort criteria. Then choose **Debit** and **Credit** in the **Sort by** and **Then by** boxes. Finally click **OK**.



When you complete the sort as outlined above all the accounts with no **Debit** or **Credit** balance will come to the top. **Delete** all these rows. To get the accounts back into the correct file order sort again by **sequence** number in column E. When the sort box appears click on the **second** sort and click the **Delete Level** button. The select **Seq** from the **Sort by** box and click **ok**. This sort is shown to the right.



To complete the **TB Clean** sheet we need to add the AR and AP journals to the bottom. With the **AR-AP** tab selected the range **B3-E20** and copy it to the clipboard. Then return to the **Clean TB** sheet and use the same **paste special** icon to **paste** the **copied range** to the bottom of the **Clean TP** sheet leaving a blank line below the trial balance rows. If you like, you can delete any lines that don't have either a **Debit** or **Credit** balance. Finally copy the whole **Clean TP** sheet and paste it over the TB sheet in your monthly start file. After you have completed the **Clean-TB** transfer your final task is to **clean out** the **Clean TB** tab so it will be ready to start next month's Trial Balance. Your monthly assignment is now complete.