

GJ Transactions - Correction of errors

GJ often used to correct bookkeeping errors

Examples of error that that can occur:

- An amount is posted to the correct side of the wrong account
- An incorrect amount imposed to the correct account
- An amount is posted to the wrong debtor's/creditor's account

What to do if there is an error?

- Establish which 2 accounts were affected by the error
- Determine which account was incorrectly debited or credited
- Determine which accounts should have been debited or credited
- Make the correction entry in the GJ

For example:

01 Oct 2018 Stationery purchased for office use was incorrectly posted to the *Trading stock* account, R125.

Credit sales to HM Melck, R550 was incorrectly posted to the account of RH Melck.

Credit purchases demo Aztec, a creditor, R876, was incorrectly posted to the credit side of Azure, a debtor.

How to correct these errors?

General Journal of FEM Traders – October 2018

Doc. no.	Day	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
						Debit	Credit	Debit	Credit
JV8	01	Stationery	N15	125		20			
		Trading stock (correction of trading Stock to stationery)	B6		125				
JV9	01	HM Melck	D6	550		550			
		RM Merck (correction)	D7		550		550		
JV10	01	Azure	D8	876		876			
		Aztec (correction)	C7		876				876
						1 426	550		876
						B8	B8		B10

**Posting to General Ledger
Balance Sheet account**

Dr Trading stock B6

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Oct	01 Bank (R/D cheque)	CPJ10	150				

Dr Debtors control B8

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Oct	01 Bank (R/D cheque)	CPJ10	150				

Dr Creditors control B10

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Oct	01 Bank (R/D cheque)	CPJ10	150				

Nominal account

Dr Stationery N15

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2018 Oct	01 S Salamon	GJ10	20

Carefully study the example on p.177 - 181 in your textbook, as well.