

Exercises



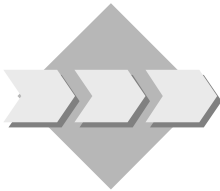
Unit: Accounting for Sales and Purchasing

Topic: G/L Account Determination and Control Accounts



At the conclusion of this exercise, you will be able to:

- Review and update the G/L Account Determination window.
- Check the Control Accounts: Accounts Receivable for the Sales process and the Accounts Payable for the Purchasing process.



When you choose a pre-defined Chart of Accounts template, most of the defaults are already defined in the G/L Account Determination window. You can change them if required.

In the G/L Account Determination window you also define the Control Accounts.

1-1 G/L Account Determination

1-1-1 Review the G/L Account Determination window.

Review the existing accounts defined in all four tabs. Each tab contains the definitions for G/L accounts related to a specific business process: Sales, Purchasing, General, and Inventory.

1-1-2 Define a default G/L account.

In the *General* tab, define a default G/L account for bank charges.

1-1-3 Check the account details.

Browse to the account you have just set as a default account and verify that it is defined as a default account in the chart of accounts.

Tip: Accounts that you have defined in the G/L Account Determination window are displayed in green in the Chart of Accounts.

1-2 Control Accounts

1-2-1 Review the Accounts Receivable and the Accounts Payable control accounts.

Under the *Sales* tab, in the *G/L Account Determination* window, review the Accounts Receivable accounts (domestic and foreign) and under the *Purchasing* tab review the Accounts Payable accounts (domestic and foreign).

Tip: choose the button next to the Accounts Receivable/ Accounts Payables field at the top, to define dedicated control accounts for Open Debts and Down Payments. Otherwise, the system will use the regular control accounts.

1-2-2 Check the account details.

Browse to the Domestic Accounts Payable account and verify that it is defined as a control account in the chart of accounts.

1-2-3 Check the automatic posting.

Browse to an existing A/P Invoice and open the automatic journal entry. Check that the entry was registered to the Accounts Payable control account.

Tip: add the control account column to the Journal Entry display and focus on the vendor's row.

1-2-4 Check the control account's balance in the chart of accounts.

Browse to the Accounts Payable account in the chart of accounts.

Note! The receivable and payable control accounts accumulate the customers and vendors' transactions in their balances. This way, the Chart of Accounts presents the complete financial status of the company.

Review the account balance details for the current fiscal year.