SELF BALANCING LEDGERS.

- additional check on authencity of ledger postings.
- avoid delay in preparing FA's and trial balance.
- We prepare :- control A/c's.

General ledger Adjustment A/c
Debtor ledger Adj A/c
Creditor ledger Adj A/c > subsidiary ledger (DLAA) (CLAA).

- it condenses the trial balance and helps to locate errors.
- follows double entry system.
- We prepare in the books of general ledger ↔ DLAA, CLAA and vice versa only!

In general ledger.

DLAA.

To bal b/d	By GLAA
To GLAA	Cash received
Credit sales	bad debts w/o.
B/R dishonoured	Return inward
int - dish bills.	Discount allowed
int - overdue A/c	Bills receivable recvd.
int - B/R renewed.	Allowance to customer.
B/R - endorsed - dish.	Transfer to Cr.
disc - disallowed	
	bal c/d
bal c/d (Cl. Cr. bal)	

CLAA.

To GLAA	By bal b/d.
Cash paid	By GLAA
Return outward.	Purchases
Discount	B/P - dishonoured.
Price redn.	Int - B/P renewed
B/R - endorsed	Noting charges.
B/R - issued	Endorsed B - dish.
B/R - renewed.	
Transfer to Dr.	
bal c/d	bal c/d xy (Cl. Dr bal).

Self Balancing	Sectional Balancing
- Trial balance 4 are 3 ledgers.	Trial balance - 1 i.e general ledger.
- 3 control A/c 1) DLAA 2) CLAA 3) GLAA	- 1 control A/c. 1) Total debtor / DLAA. OR 2) Total creditor A/c / CLAA in GL.

① Take only those entries which impact trade debtors & creditors (not for buildings etc) only goods.

② exclude :-

cash sales, purchases, trade discount, B/R or B/P matured, bad debts recovered, credit sale/purchase of building, assets etc, provision for doubtful debts, provision for disc, B/R discounted, BR endorsed,

③ Transfer :-

entry is same for any transfer.

as Dr ↓ & Cr ↓ ~~Dr ↑ & Cr ↓~~

1] creditor To GLAA + GLAA To Debtor A/c. = creditor debtor.

∴ for any transfer : Creditor A/c Dr.
To Debtor A/c

④ GLAA : all entries opposite of DLAA & CLAA.